



Portfolio Review and Recommendations Report for U.S. Department of Housing and Urban Development

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SECTION 1

Executive Summary

Executive Summary



- U.S. Housing and Urban Development (HUD) occupies approximately 4.1M RSF of administrative office space nationwide, with an annual rent of \$115.9M (does not include operating expenses paid directly by HUD)
- In FY13, HUD engaged GSA's Client Portfolio Planning (CPP) initiative to develop a strategic plan aimed at reducing overall portfolio occupancy expenses
 - One of HUD's strategic priorities is to focus on its internal workplace to attract and retain a talented workforce and increase employee retention
 - HUD is targeting a 389,044 USF reduction in its nationwide portfolio of 3.3M USF (representing a 12% reduction) between 2014 and 2016
- In FY14, the CPP team and HUD identified five opportunities; one consolidation project in Indianapolis was completed in FY15 for an achieved annual rent savings of \$.2M and a square footage reduction of 9,678 RSF
 - Existing excess space at the HUD headquarters located at GSA-owned Robert C. Weaver Building may present an opportunity for HUD to consolidate its Washington, DC lease occupancies and realize significant cost savings and footprint reductions
 - GSA is currently performing a feasibility study for Weaver consolidation to be completed 4Q FY15 to focus on renovations and consolidation project timelines and milestones.
 - GSA and HUD signed a National Workplace Engagement which will target a space utilization of 175 USF per person improving from field office baseline of 365* USF per person. GSA and HUD will re-engage on this effort in FY16.
- The majority of HUD leases expire within the next three years, enabling HUD & GSA to evaluate options to relocate into federal buildings
- HUD has 65% of its workforce eligible for retirement in 2016. Should these employees take advantage of the retirement the overall utilization rate and space requirement will be heavily impacted.

What Does Success Look Like for HUD's Portfolio Review and Recommendations Report



What We Know

- HUD is targeting 12% USF reductions in its portfolio between 2014 and 2016
- Robert C. Weaver Building presents an opportunity for HUD to consolidate in DC and realize cost savings
- Over 85% of HUD leases are either currently available for early termination or expire within the next three years
- HUD is improving its average space
 utilization from field office baseline of 365*
 and they would like to define a national
 target UR and workplace plan agreeable to
 their unions of 175



 Follow up and provide status on critical projects related to HUD's Reducing the Footprint Plan



 Prospectus for FY2016 is underway and the Feasibility Study is being conducted.



 Evaluate options to relocate HUD to federal buildings as leases expire and reduce the number of overall leases



 Work together to develop a national UR target and workplace strategy using
 Denver as a good practice

Executive Summary (continued)



 A summary of CPP opportunities for cost savings and RSF reduction currently engaged with HUD is shown in the table below:

Opportunity	Description	Estimated Annual Savings (w/o TI)	Agency Upfront Costs (1) (Break Even Period)	RSF Reduction
1. Indianapolis, IN Leased to Owned Relocation	Reduce footprint and move from leased to owned	\$0.2M Rent Savings	\$0.7M (9.8 years)	10,207
2. Los Angeles, CA Leased to Owned Relocation	Reduce footprint and move from leased to owned	\$1.3M Rent Savings	\$1.7M (2.2 years)	22,764
3. Denver, CO Right-Size	Right size in leased	\$0.7M Rent Savings	\$2.5M (9.9 years)	35,867
4. Washington, DC Leased to Owned Consolidation	Evaluate 2 Weaver Building Renovation Scenarios: 1) One floor renovation - reduce footprint and exit 3 leased locations 2) Full building renovation – exit 5 DC leased locations and seek another Agency to co-locate in renovated space to maximize building utilization	\$5.8M Rent Savings	\$46.8M (8.1 years)	249,627
5. National Workplace Engagement*	Develop Workplace Standards based upon HUD's work patterns leading to reduced footprint while improving the quality of workspaces	TBD	TBD	TBD
6. Des Moines, IA	Right-sizing Neal Smith Federal Building to reduce footprint and rent and allow space for other agencies desiring federal location	\$63.8K Rent Savings	\$21k (5.5 years)	6,095
	TOTAL	\$8.1 M /yr	\$51.7M (7.1 years)	324,560

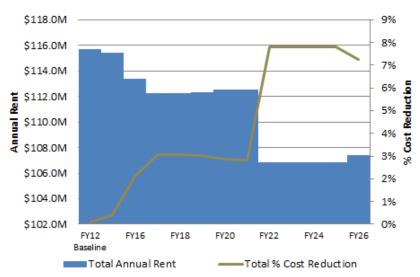
^{*} We are currently working closely with HUD through a national workplace engagement. Once this initiative is underway, diagnostic site visits will be defined with agency specific requirements that generate national investment costs and target savings

Executive Summary (continued)

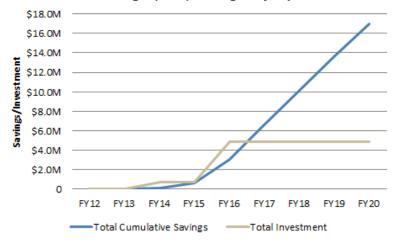


- The projected timeline and CPP opportunity results for HUD are as follows:
 - Required Agency Upfront Costs of \$51.7M with a Break Even* of 7.1 years
 - Over \$8.1M in cumulative lease savings by FY20
 - RSF reduction of 325k RSF or 7.9% of total portfolio

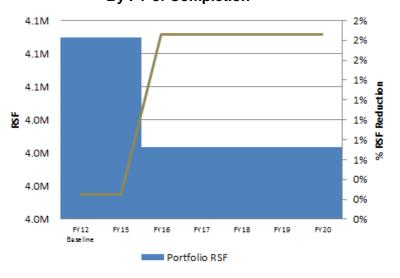
Cost Savings Impact of CPP Opportunities By FY of Completion



Cumulative Savings (w/TI) vs. Agency Upfront Costs



RSF Savings Impact of CPP Opportunities By FY of Completion





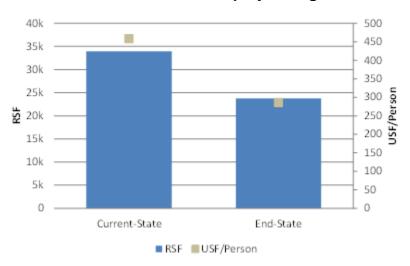


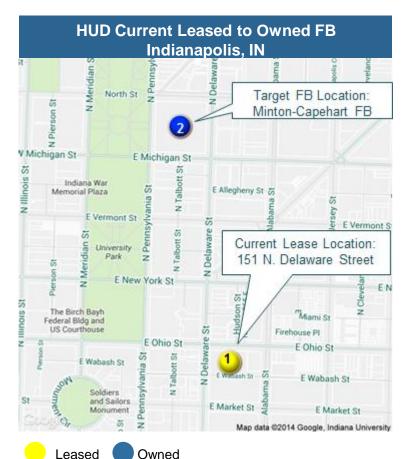


Indianapolis, IN | Relocate from Leased to Owned

- Currently HUD occupies 29,778 USF in a leased location at 151 North Delaware Street in Indianapolis, IN
- HUD is moving from a leased to owned location, targeting a 38% reduction (11,193 USF) in space, improving USF per employee from 458 to 286
- HUD achieved significant rent savings by moving from leased to owned
- Rising lease rates in the market indicated HUD would have incurred lease cost increase had HUD stayed in current leased location
- HUD's consolidation enables the agency to move into the recently renovated Minton-Capehart Federal Building (FB), which achieved LEED GOLD and ENERGY STAR designations for the project and building, respectively

Overall RSF and USF/employee targets





Building	Owned/ Leased	RSF	\$/RSF	Annual Rent	OA Expiration
1. 151 N Delaware Street	Leased	33,947	\$16.19	\$550k	9/30/15
2. 575 N. Pennsylvania St.,	Owned	23,740	\$13.75	\$326k	N/A

Indianapolis, IN | Relocate from Leased to Owned



Opportunity Description

- GSA is supporting HUD in its consolidation and move from leased space (151 N. Delaware Street, Indianapolis, IN) to owned Minton-Capehart FB at 575 N. Pennsylvania Street
- GSA is terminating the lease early, which expires 9/30/15
- HUD has determined it can effectively fulfill its mission in a smaller footprint in Indianapolis
- The agency will implement flexible workplace strategies to effectively allocate resources
- HUD is adopting open workplace design to enable increased mobility and a more productive work environment

Potential Benefits

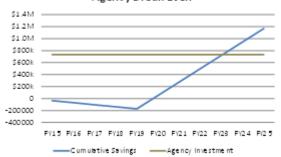
- RSF Reduction 10,207 RSF (30%)
 Annual Rent Savings(w/o TI): \$0.2M (40%)
- Total Investment costs: \$2.0M

- Total Agency upfront costs: \$0.7M

Total GSA/Lessor upfront costs: \$1.2M

Agency break even: 9.8 years

Agency Break Even



Agency Priority:

Ability to Fund (FY14): GSA-High; Agency-High

Recommended Next Steps

Action	Lead	Date
Project completed	GSA	Dec 2014

Opportunity Review Status							
1. GSA Central Office	Approved						
2. GSA Regional Office	Approved						
3. Client Agency	Approved						

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY14	\$0.5M	\$0.5M	33,947	29,778	65	458	373
Target	Relocation	4QFY14	\$0.5M	\$0.3M	23,740	18,585	65	286	261
Annual	TI Payment in Rent =	\$0.3M	Target Cost / (Benefit):	(\$0.2M)	(10,207)	(11,193)	0	(172)	(112)
# of years T	# of years TI is being amortized =		Target % Improvement:	(40%)	(30%)	(38%)	0	(38%)	(30%)
Savings Achieved to	Savings Achieved to Date (See Outcomes Report in Appendix)				9,678 (96%)	10,818 (97%)	0	292 (98%)	105 (99%)

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ІТ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$1.2M	\$0.1M	\$0.6M	\$28k	\$37k		\$0.7M	\$2.0M	9.8 years
Funding Source(s)	BA54/80	BA 54	HUD	HUD	RWA				

IMPLEMENTATION OPPORTUNITY 1 | PROJECT SUMMARY

Indianapolis | Relocate from Leased to Owned



Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
575 N Pennsylvania Street	Leased to Owned	R5	Move from 151 N Delaware to Minton-Capehart FB, 575 N Pennsylvania Street	3/2012	9/30/14	Keith Vasseur	Completed

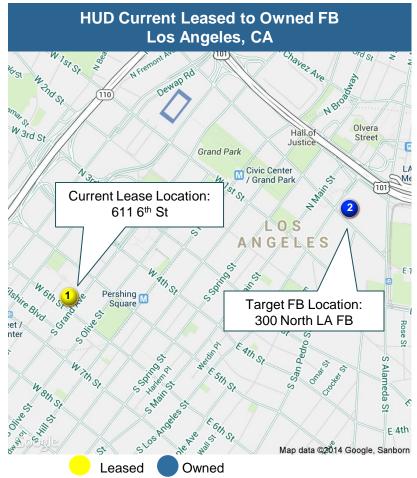
CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL REAL ESTATE

Los Angeles, CA | Leased to Owned Relocation

- HUD currently occupies 82,741 RSF in a leased location at 611 6th Street, Los Angeles, CA, and is seeking to reduce its overall footprint and rental costs
- This project proposes consolidating HUD locations into 59,977 RSF of federal space at 300 N Los Angeles prior to its March 2016 lease expiration date
- New HUD goal for space standards establish a target UR of 175 USF/person; this opportunity will reduce the current UR from 328 USF/person to 173 USF/person
- This consolidation will save HUD \$1.5M annually without Tenant Improvements (TI); \$1M with TI

Overall RSF and USF/employee targets





Building	Owned/ Leased	RSF	\$/RSF	Annual Rent	OA Expiration
1. 611 6 th Street	Leased	82,741	\$31.06	\$2.6M	03/19/2016
2. 300 North LA FB	Owned	59,977	\$26.11	\$1.6M	N/A



Los Angeles, CA | Leased to Owned Relocation

Opportunity Description

- GSA proposes relocating HUD from 82,741 RSF to approximately 59,977 RSF within the 300 North Los Angeles Federal Building in March 2016
- This project will allow HUD to achieve rent and square foot reductions and help the agency exceed its target UR of 175 USF/person, achieving 173 USF/person
- HUD prefers to be located in federal space and will backfill vacant space at 300 North Los Angeles
- This project is a FY14 Consolidation project

Potential Benefits

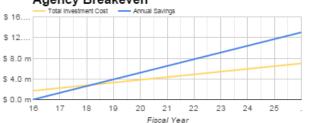
- RSF Reduction 22,764 RSF (28%)
- Annual Rent Savings(w/o TI): \$1.3M (50%)
- Total Investment costs: \$6.7M

- Total Agency upfront costs: \$1.7M

Total GSA/Lessor upfront costs: \$4.6M

Agency break even: 2.2 years





Agency Priority: N/A

Ability to Fund: GSA(FY14)-Med; Agency

(FY15)-Med

Recommended Next Steps

Action	Lead	Date
Construction Award	GSA	8/17/15
Construction NTP	GSA	9/18/15
Construction Compl	GSA	1/29/16
HUD Move In	HUD, GSA	2/26/16

Opportunity Review Status

1. GSA Central Office	Approved
2. GSA Regional Office	Approved

3. Client Agency Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/Tl)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		3QFY14	\$2.6M	\$2.6M	82,741	72,569	221	328	910
Target	Relocation	2QFY16	\$1.6M	\$1.3M	59,977	44,000	254	173	660
Annual	TI Payment in Rent =	\$258K	Target Cost / (Benefit):	(\$1.3M)	(22,764)	(28,569)	33	(155)	(250)
# of years TI is being amortized = 10 years Target % Improvement:		(50%)	(28%)	(39%)	15%	(47%)	(28%)		
Savings Achieved to Date (See Outcomes Report in Appendix)									

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$4.6M	\$0.4M	\$1.2M	\$0.3M	\$0.2M	-	\$1.7M	\$6.7M	2.2 years
Funding Source(s)	FY14 Consol	FY14 Consol	RWA	RWA	RWA				

IMPLEMENTATION OPPORTUNITY 2 | PROJECT SUMMARY



Los Angeles | Right-size and Relocate from Leased to Owned

Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
300 North LA	Leased to Owned	R9	Move from 611 6 th Street to 300 North LA	8/1/14	3/30/16	Brian Stilley	Construction Phase

CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL REAL ESTATE

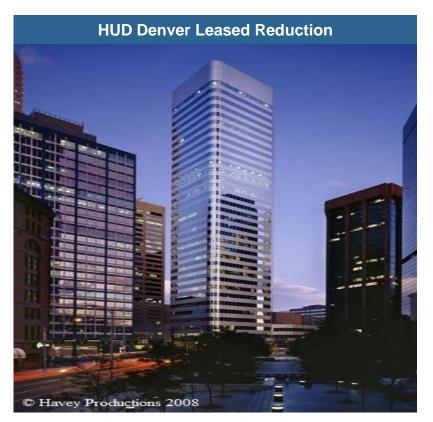
Denver, CO | Right-Size

Background:

- HUD currently occupies 122,676 RSF in a leased location at 1670 Broadway in downtown Denver, CO, and is seeking to reduce its overall footprint and rental costs
- HUD recently signed a new lease downsizing its footprint to 86,809 RSF; the agency anticipates the reduction to occur in December 2014
- HUD currently houses 350 full time employees; with current hiring plans, that number is anticipated to increase to 385
- HUD space utilization will improve from 314 USF / person to 211 USF / person
- A pilot national workplace engagement was conducted in May 2014; HUD leadership expressed a desire to create an effective open-office environment; the Union also fully supports the effort

Overall RSF and USF/employee targets





Leased Owned

Building	Owned/ Leased	RSF	\$/RSF	Annual Rent	OA Expiration
1670 Broadway	Leased	122,676	\$18.39	\$2.25M	01/01/24



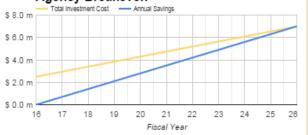
Opportunity Description

- Create an enhanced workspace, while reducing leased space by 35,867 RSF and rent by \$650k
- Complete right-sizing furniture refresh provided by the FIT program to maximize space and create access to natural day lighting. Modular layouts will be recommended based on three primary work patterns that will enhance flexibility and user experience
- Sound masking and private huddle rooms will be implemented to increase productivity and privacy
- Complete moderate construction will enhance usability of the existing floor plate. Glazed demountable walls will be used for interior partitions
- Phased construction, installation and moves will be used to decrease interruption to the agency

Potential Benefits

- RSF Reduction: 35,867 (29%)
- Annual Rent Savings(w/oTl): \$0.7M (30%)
- Total Investment costs: \$6.4M
 - Total Agency upfront costs: \$2.5M
 - Total GSA/Lessor upfront costs: \$3.9M
 - Agency break even: 9 .9 years

Agency Breakeven



Agency Priority: N/A

Ability to Fund (FY14): GSA-High; Agency-

High

Recommended Next Steps

Action	Lead	Date
Purchase Furniture	GSA	Oct 2015
Implement Space Reduction Buildout	GSA	Feb 2016

Oppo	rtunity	Review	Statue
Oppu	rtuility	Veniem	otatus

Approved 1. GSA Central Office

2. GSA Regional Office Approved

3. Client Agency Approved

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/Tl)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		3Q FY14	\$2.3M	\$2.3M	122,676	109,954	350	314	1,349
Target	Right-size	3Q FY16	\$2.17M	\$1.6M	86,809	81,105	385	211	955
Annual			Target Cost / (Benefit):	(\$0.7M)	(35,867)	(28,849)	35	(103)	(395)
# of years TI is being amortized = 10 years Target % Improvement:			(30%)	(29%)	(26%)	10%	(33%)	(29%)	
Savings Achieved to Date (See Outcomes Report in Appendix)									

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙΤ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$3.9M		\$2.0M		\$0.5M		\$2.5M	\$6.4M	9.9 years
Funding Source(s)	Lessor		Unknown		RWA				

IMPLEMENTATION OPPORTUNITY 3 | PROJECT SUMMARY

Denver, CO | Right-Size



Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
1670 Broadway	Right size in Leased	R8	Create an enhanced space while reducing by 35,867 RSF of leased space	3Q FY14	3Q FY16	Steve Vanderhye, Jonna Larson	Construction Phase

CLIENT PORTFOLIO PLANNING OPTIMIZING FEDERAL FEAL ESTATE

Washington, DC | Leased to Owned Consolidation

Background:

- In Washington, DC, HUD occupies 1.4M RSF.
- HUD occupies approximately 325K RSF in six leased locations and 1.1M RSF at the GSA-owned Robert Weaver Headquarters building
- In 2012, GSA's NCR team and HUD completed a pilot renovation on a portion of the second floor of the Weaver HQ building with an open space and mobile workstation design and achieved a UR of 175
- HUD leadership requested GSA NCR CPP team evaluate renovation strategies for Robert Weaver Headquarters building to replicate the second floor pilot throughout the building office area
- NCR discussed five scenarios with HUD, with varying USF per employee targets and lease consolidation strategies

Building	Owned/ Leased	RSF	\$/RSF	Annual Rent	Employees
1.Union Station 2 820 1 st St., NE	Leased	27,303	\$35	\$1.0M	53
2. 470/490 L'Enfant Plz SW	Leased	33,214	\$48	\$1.6M	97
3. Portals 1250 Maryland Ave SW	Leased	41,447	\$49	\$2.0M	91
4.Potomac Center 550 12 th St SW	Leased	113,220	\$45	\$5.0M	334
5. Washington Office Ctr 409 3 rd St., SW	Leased	34,443	\$42	\$1.4M	149
6. Capital View 425 3 rd St., SW	Leased	76,200	\$49	\$3.5M	300
7.Robert C. Weaver 451 7 TH St., SW	Owned	1,121,913	\$40	\$44.7M	2,789





Washington, DC | Leased to Owned Consolidation

Opportunity Description

- Design concept would expand OSLP pilot for entire building with HUD exiting 5 leases
- Assumes exiting all leases but Capital View. GNMA and REAC 300 employees will relocate to Cap View in the current footprint of 76,200 RSF and 63,500 USF
- Consolidation of remaining leases into Weaver HQ targeting all office area of building USF for renovation (645k USF) resulting in \$20.4M in annual lease cost avoidance and a 12.7 yr taxpayer payback
- Co-locating with NON-HUD Agency (est. 1,980 employees) improves utilization by employing a desk ratio of 1:1.3 to an overall office UR of 123 pp
- The NON-HUD agencies are moving out of leases into Weaver accounting for \$9.3M annual leased cost avoidance
- Option does not include move or swing costs

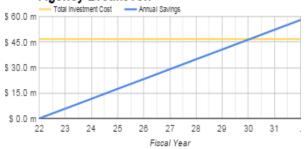
Potential Benefits

- RSF Reduction: 249.6k (18%)
- Annual Rent Savings (w/o TI): \$5.8M (10%)
- Total Investment Costs: \$258.8M

Total Agency Upfront Costs: \$46.8M

Total GSA Costs: \$212MAgency Break Even: 8.1 years

Agency Breakeven



Agency Priority: 1 out of 4

Ability to Fund (FY16/FY17): GSA Prospectus

Recommended Next Steps

Action	Lead	Date
Receive approval on \$15.8M Design R&A prospectus	Congress	FY15
Conduct Feasibility Study	GSA NCR	4Q FY15
Submit FY17 \$196.2M Prospectus for Construction R&A	GSA NCR	1Q FY16

Opportunity Review Status							
1. GSA Central Office	Approved						
2. GSA Regional Office	Approved						
3. Client Agency	Approved						

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline HUD	Current State	1Q FY15	\$55.8M	\$55.8M	1,371,540	1,036,854	3,513	295	15,087
Target	Consolidation	1Q FY22	\$50.0M	\$50.0M	1,121,913	813,753	5,493	148	12,341
Annual TI Payment in Rent =		\$0M	Target Cost / (Benefit):	(\$5.8M)	(249,627)	(223,101)	1,980	(147)	(2,746)
# of years TI is being amortized 10 =		10 years	Target % Improvement:	(10%)	(18%)	(22%)	56%	(50%)	(18%)
Savings Achieved to Date (See Outcomes Report in Appendix)									

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core & Shell)	Furniture	ІТ	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$212M		\$23.5M	\$23.3M			\$46.8M	\$258.8	8.1 years
Funding Source(s)	GSA		FIT	FIT					

IMPLEMENTATION OPPORTUNITY 4 | PROJECT SUMMARY

Washington, DC | Leased to Owned Consolidation



Project Name	Project Type	Region	Description	Start	Complet e	Proj Mgr Name	Status as of 9/30/15
HUD Weaver Consolidation	Leased to Owned	NCR	Consolidation of 5 out of 6 leases into Weaver FB	12/30/15	12/30/22	Sara Towner	Feasibility Study is underway

National | Workplace Strategy

- HUD executed a National Workplace Engagement with GSA in September 2014 to improve employee satisfaction, retention and effectiveness.
- Leveraging GSA's workplace expertise and methods to understand work functions and culture can drive toward a tailored workplace strategy that is spatially efficient; improves organizational effectiveness; and enhances employee experience. The result is a win/ win: lower costs, reduced project delays and greater likelihood of union buy-in.
- Divergent cultures, missions and work processes make a "one size fits all" strategy challenging; however, a national workplace strategy can address a large percentage of enterprise related decisions.
- More agencies are developing national workplace strategies as a way to define standards at the "enterprise level," which support a target agency "all in" utilization rate while maintaining organizational effectiveness.
- Cost savings can be achieved by linking mobile workplace solutions to planned consolidations where appropriate. GSA has expertise in determining "mobile readiness" and strategies to optimize mobility effectiveness.
- Incremental rollouts through selected pilots can help acceptance and gauge successes / lessons learned that would feed into workplace strategy refinements

Hypothetical example of how workplace engagement can save agencies rent and reduce GHG

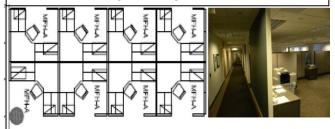
agencies rent and reduce Grid										
Sample Project Options	Space Standards	Space Standards	Space Standards							
Washington DC Metro	Only	Share 1.5:1	Share 2:1							
People:	115	115	150							
Seats:	115	75	75							
Total Space (USF):	26,800	20,800	19,600							
Utilization Rate (USF/Person):	230	180	130							
Annual Rent Saved:	\$ 180,000	\$ 350,000	\$ 700,000							
Carbon Emissions Avoided (Tons CO2e):	60	200	400							
Cars off the road:	10	35	70							
Tree seedlings grown for 10 years:	1,300	4,625	9,250							

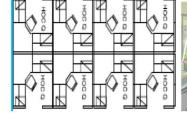


Next Implementation Steps

Action	Lead	Date
Re-evaluate Workplace Charter and determine HUD's commitment	GSA and HUD	1Q FY16
Identify one pilot project for workplace	GSA and HUD	1Q FY16
Construction and completion phase for Casper WY SBA/HUD colocation field office	GSA and HUD	1Q FY16
Completion and move in Denver Pilot Project	GSA and HUD	3Q FY16

Below: Existing versus proposed in Denver: Insight typical of National Engagement. illustrating attractive future environment enhances change management effectiveness.







IMPLEMENTATION OPPORTUNITY 5 | PROJECT SUMMARY

National | Workplace Strategy



Pilot Project Name	Project Type	Region	Description	Start	Complete	Proj Mgr Name	Status as of 9/30/15
Casper, WY	Right-size	8	Small co-location pilot project with HUD/SBA	3Q FY15	1Q FY16	Jonna Larson	Construction documents
Denver, CO	Right-size	8	Lease reduction	3Q FY14	3Q FY16	Steve Vanderhye	Construction
National Workplace Standards Development	Right-size	All	Develop national workplace standards per signed national workplace charter	TBD	TBD	TBD	ON HOLD pending re-engagement with HUD on National Workplace Charter and funding



CLIENT PORTFOLIO PLANNING

OPTIMIZING FEDERAL REAL ESTATE

- HUD Office of the Secretary has an office in the Neal Smith Federal building in Des Moines, Iowa
- They reside in 13k RSF with an All In UR of 518
- There is demand for additional space in the federal building from another agency that would help HUD pay for some of the cost of reducing their footprint

Overall RSF and USF/employee targets





Building	Owned/ Leased	RSF	\$/RSF	Annual Rent	OA Expiration	
Neil Smith FB	Owned	13,783	\$15.11	\$180K	1/31/17	

OPPORTUNITY 6 | DETAIL

Des Moines, IA | Right-size in Owned

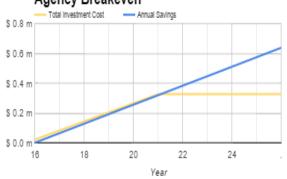
Opportunity Description

- PBS Region 6 has worked with HUD to develop a plan for reducing space by 44% in the Neil Smith FB.
- This workplace optimization will lead to improved utilization, reduced annual rent, and providing backfill for another agency
- HUD will be able to repay the investment in achieving this dramatic space reduction in just over 5 years
- HUD will reduce rent in 5 year TI amortization period, even with a higher market rate
- When the TI is amortized HUD's new rent savings will be over \$60,000 annually, 35% lower than their baseline rent despite the higher rent market
- HUD is adopting open workplace design to enable increased mobility and a more productive work environment

Potential Benefits

- RSF Reduction: 6,095 RSF (44.2%)
- Annual Rent Savings(w/o TI): \$63,793 (35.3 %)
- Total Investment costs: \$428,772
 - Total Agency Upfront costs: \$20,964
 - Total GSA/Lessor Upfront costs: \$407,808
 - Agency Break Even: 5.5 years

Agency Breakeven





Agency Priority:

Ability to Fund (FY14): GSA-High; Agency-High Recommended Next Steps

Action	Lead	Date
100% design review meeting	GSA	6/4/15
Construction Award	GSA	7/22/15
Substantial Completion	GSA	10/30/15

Opportunity Review Status							
1.GSA Central Office	Approved						
2.GSA Regional Office	Approved						
3.Client Agency	Approved						

OPPORTUNITY ANALYSIS

	Action	Start (End) Date	Annual Rent (w/TI)	Annual Rent (w/o TI)	RSF	USF	НС	All-in U/R (USF/person)	GHG Emissions (Tons)
Baseline		1Q FY15	\$180,958	\$180,958	13,783	9,840	19	518	152
Target	Right-size	2Q FY16	\$183,720	\$117,165	7,688	5,615	19	296	85
Annual Ti	Payment in Rent =	\$67k	Target Cost / (Benefit):	(\$ 63.8 k)	(6,095)	(4,225)	0	(222)	(67)
# of years TI	is being amortized =	5 years	Target % Improvement:	(35.3%)	(44.2%)	(42.9%)	0%	(42.9%)	(44.2%)
Savings Achieved to Date (See Outcomes Report i Appendix)		mes Report in							
Appendix)									

OPPORTUNITY INVESTMENT DATA

	Build Out (TI)	Build Out (Core/Shell)	Furniture	ΙT	Move	Other	Agency Upfront Costs	Total Investment Costs (TIC)	Agency Break Even
Total	\$309,927	\$97,881				\$20,964	\$20,964	\$428,772	5.5 yrs
Funding Source(s)	BA54	BA54							



Des Moines, IA | Right-size Owned

Project Name	Project Type	Region	on Description		Complete	Proj Mgr Name	Status as of 9/30/15
Des Moines, IA	Right-size	R6	In order to optimize the Neil Smith Federal Building, several agencies were provided the opportunity to reduce their space include HUD	4/30/14	10/30/15	Jeff Meyer	In Construction





Next Steps



Task	Who	Timeframe
 Meet with HUD Leadership to improve our partnership and provide support in their real estate plans for the future 	GSA/HUD	4Q FY15
 Using National Workplace Engagement Agreement executed in September 2014, develop National Workplace Strategy and define a national target UR 	GSA/HUD	FY15 and ongoing
 Identify RWA funding for FY15 for the identification of available funds for Weaver 	HUD	1Q FY16
 Evaluate opportunities for FY16 and FY17 consolidation funds 	GSA/HUD	1Q FY16
 Finalize Weaver consolidation/renovation strategy decision and confirm funding source, i.e. Consolidation funds, RWA, and Total Workplace/FIT. Feasibility Study Kick-off for Weaver took place on June 3, 2015 and is underway 	GSA /HUD	2Q FY16
 Explore additional consolidation opportunities and assist in further footprint reduction and rent cost savings opportunities 	GSA/HUD	2Q FY16





HUD Goals and Potential Areas of Focus



HUD Goals & Objectives

Functions

Core Real Estate

Potential Areas of Focus

Strengthen the Nation's Housing Market To Bolster the Economy and Protect Consumers

- Protect and educate consumers when they buy, refinance or rent a home
- Stem the foreclosure crisis, create financially sustainable homeownership opportunities and establish an accountable and sustainable housing finance
- system

Meet the Need for Quality Affordable Rental Homes

- · Substantially reduce the number of families and individuals with severe housing needs
- · Expand the supply, preserve the affordability and improve the quality of federally assisted and private unassisted affordable rental homes

Utilize Housing as a Platform for Improving Quality of Life

- Improve educational outcomes, early learning and development, health outcomes and Public Safety
- Increase economic security and self sufficiency
- Improve housing stability through supportive services for vulnerable populations

Build Inclusive and Sustainable Communities Free From Discrimination

- · Catalyze economic development and job creation, while enhancing and preserving community assets
- · Promote energy-efficient buildings and location-efficient communities that are healthy, affordable, and diverse
- Facilitate disaster preparedness, recovery, and resiliency
- · Ensure open, diverse, and equitable communities

Transform the Way HUD Does Business

- Create a flexible and high-performing learning organization with a motivated, skilled workforce
- Create an empowered organization that is customer centered, place based, collaborative and responsive to employee and stakeholder feedback
- · Create flexible, modern rules and systems that promote responsiveness, openness and transparency
- · Create a healthy, open, flexible work environment that reflects the values of HUD's mission

Office Space

 Offices located nationwide to support both mission and administrative functions

of each OpDiv

- Majority of office space located in NCR due to HQ functionality
- · Bulk of total portfolio is office space
- 84% of total portfolio is under the Office of the Secretary
- Total portfolio is 57% owned and 43% leased

Real Property Cost (RPC) Savings Plan Pursue improved space standards

- Increase telework
- Consolidate from leased to owned when possible Share or provide excess space to other
- agencies · Improve workplace design to attract and retain employees

Achieving RPC Savings

- Provide access to the consumers by consolidating into locations that are easily accessible
- Upgrade IT to increase efficiency and quality of work
- Lead by example by improving sustainability and structure
- Meet tax payer needs by disposing of underperforming assets and redistributing resources to more effective investments
- Improve security, sustainability, efficiency and stability through consolidation, structural improvement and reduction of energy consumption when practical
- Become a government agency role model through demonstrating efficient space transformation, and reducing real estate cost and energy consumption
- Establish a healthy, resourceful, and diverse work environment that enables employment and sustainability of highly experienced and
- Source: HUD FY2010-FY2015 Strategic Plan and HUD Real Property Cost Savings Innovation Plan May, 2013

CPP process is helping to identify opportunities across the country



The Office of Portfolio Management is working jointly with the Office of Leasing to identify new HUD consolidation opportunities across the country:

- Started with the top 12 largest HUD leases (by annual rent in \$)
 - Washington DC (Weaver), Atlanta, San Francisco, Denver, Los Angeles
- Top 40 largest HUD leases (by RSF)
 - Currently reviewing the top 40 leases (by RSF) to identify any actionable opportunities, considering the following variables:
 - Federal, actionable vacancy
 - HUD leases that are above market rates
 - Lease expirations
 - Termination rights
 - Federal (forward) rate vs. leased rates
 - Proximity to current location
- Develop implementation strategies for HUD initiatives on Field Office Consolidations and Reducing the Footprint
- Reach agreement with HUD to define priorities on specific markets or leases
- GSA to identify risks and develop action items before moving forward

Through portfolio analysis, the goal is to reduce HUD's overall footprint and rent costs



GOALS

- The main short-term goal from a portfolio/leasing perspective is to identify multiple opportunities to present to HUD
 - Narrow down the list of potential opportunities to actionable opportunities
- Involve HUD National and Field Office(s) with GSA to move the project(s) forward
- Determine if a specific opportunity is a candidate for Consolidation Funding:
 - FY16 Consolidation Fund (targeting \$100 million)

BENEFITS

- Reduction in HUD's overall rent bill
 - Cost Savings (reduction in future rent)
 - Cost Avoidance (consolidating leases)
- Meet HUD's "Promoting Efficient Spending to Support Agency Operations"
 M-12-12 OMB Memorandum
 - 175 square feet per employee and contractor

Portfolio Analysis Discussion with HUD; highlighted notes



Item #1: Objectives:

- Reviewed appendix of underutilized space with partial termination rights. GSA has headcounts and utilizations rates.
- GSA has looked at HUD data multiple ways and determined what is feasible
- After this meeting GSA would like to have a direction on what HUD wants to do in order for GSA to take on action steps. GSA is aware of HUD funding concerns.

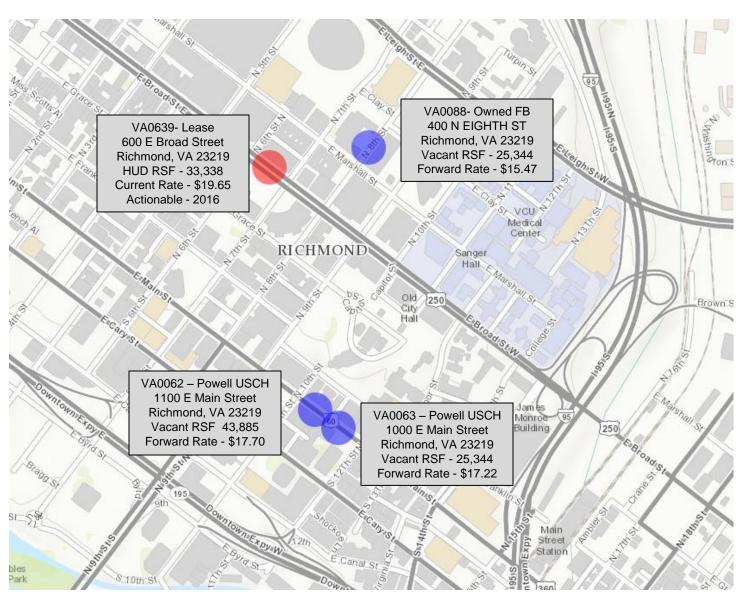
Item #2: Portfolio Analysis Topics

Kathryn Brantley of HUD updated GSA with various office closures and additional information on HUD Field Offices. Kathryn has a plan for all field offices, GSA would like to have a copy of that plan in order for GSA to plan better HUD's portfolio

- Orlando and Fresno offices are closed
- Atlanta Office HUD will address this location in 2017. HUD will stay in place in the Atlanta Office until 2017. HUD will put more people at that location; therefore UR will go down, as more people come on board. Want to get out of this building, no negotiating to say in building as 2017 approach.
- Kansas and Ft. Worth Multi Family site, will reconfigure, extend lease, and move more people in that space. Renegotiate Kansas. Ft. Worth rent at 20% gap, can we do a superseding lease to save on rent (rent gap \$457,478 high), expires September 30, 2018
- San Juan working with local GSA Region to re-negotiate lease, downsize space and stay in place.
- Guam only one person in space. UR is very high.
- St. Louis two assignments exist at this location. Field Office and the OIG Office. OIG is 471 ur to include special meeting rooms, special storage and weapons room.
- Albany lease already extended
- San Diego, Sacramento Orlando, Tucson, and Tampa taken off list offices are closed.
- Newark POR in place
- Boise, Buffalo, and Salt Lake City HUD is working on.
- · Washington, DC and Houston will work on these locations in 2016 fiscal year.

Example – Richmond, VA Opportunities



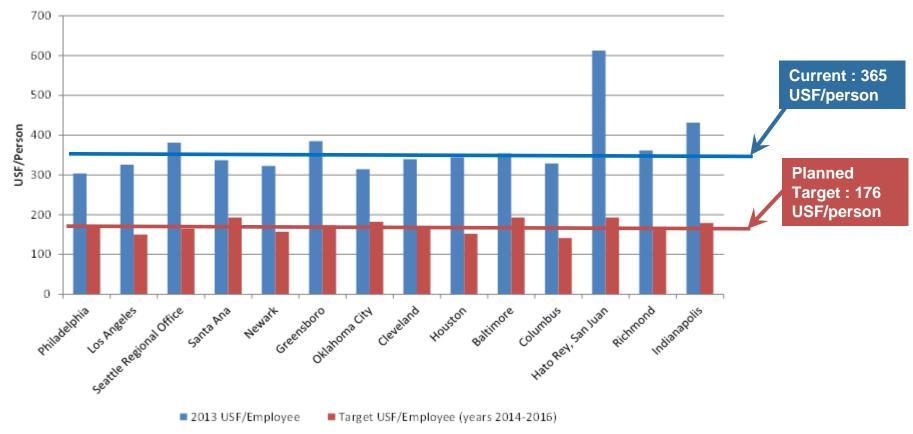


Opportunities will drastically reduce HUD's USF in 56 locations



Observations:

- HUD is targeting 770,000 USF reductions between 2014 and 2016 in its 56 field office locations
- The largest USF locations listed below (> 29k USF) account for 50% of HUD field offices, currently 1.2 million USF
- Targeted new USF will reduce average USF per person from 365 to 176 in those 56 locations



HUD has planned **USF** reductions FY 14 – FY 16



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City	State	Building Name	Existing USF	Release Inventory	Occupy new Space	Actual Complete	New (USF)	Net Offset (USF)	Change in Rental Costs	Project Type	Comments
Camden	NJ	BRIDGEVIEW	3,500	Dec-12		Dec-12	0	(3,500)	(\$94,132)	Office Closure	Complete
Springfield	IL	ILLINI FIN CENTER	2,874	Dec-12		Dec-12	0	(2,874)	(\$68,480)	Office Closure	Complete
Agana Agana	GU GU	US District Court Bldg First Hawaiian Bank	0 525	Apr-13	Apr-13	Apr-13	393 0	(132)	\$20,797 (\$33,024)	Relocation Relocation	Complete
Manchester (OIG)	NH	NORRIS COTTON FB	2,250	May-13		May-13	290	(1,960)	(\$68,732)	Space Reduction	Complete
Boston (OIG)	MA	THOMAS P. O'NEILL JR. FB	67,786	Oct-13			63,395	(4,391)	(\$195,738)	Space Reduction	On Hold
Albany	NY	BARRM BETTY,& LEDUKE	19,375	Nov-13			17,381	(1,994)	\$336,011	Succeeding Lease	On Hold
Portland Portland	OR OR	E. Green-W. Wyatt FOB 400 SIXTH AVE BLDG.	0 18,781	Sep-13	Aug-13	Sep-13	16,364 0	(2,417)	\$489,769 (\$665,339)	Relocation Relocation	Complete
Anchorage	AK	3000 C STREET	17,655	Sep-13		January-14	12,458	(5,197)	(\$304,514)	Succeeding Lease	Complete
Bangor Bangor	ME ME	Federal Building ONE MERCHANTS PLAZA	0 2,107	Nov-13	Nov-13	Nov-13	1,873 0	(234)	\$39,673 (\$39,510)	Relocation Relocation	Complete
Cincinnati	ОН	PROVIDENT BANK BLDG	9,207	Feb-14		March-14	0	(9,207)	(\$237,615)	Office Closure	Complete
Dallas	TX	AM SMITH FEDERAL BLDG	2,713	Feb-14		Feb-14	0	(2,713)	(\$89,833)	Office Closure	Complete
Flint	MI	PHOENIX BUILDING	2,800	Feb-14		March-14	0	(2,800)	(\$108,515)	Office Closure	Complete
Fresno	CA	855 "M" STREET	6,375	Feb-14			0	(6,375)	(\$219,799)	Office Closure	Delayed for Union negotiations
Grand Rapids	MI	CAMPAU SQUARE PLAZA	10,172	Feb-14		Feb-14	0	(10,172)	(\$452,822)	Office Closure	Complete
Lubbock	TX	GH MAHON FED BLDG/CH	5,110	Feb-14		Feb-14	0	(5,110)	(\$59,775)	Office Closure	Complete
Milwaukee Milwaukee	WI WI	REUSS PLAZA TOWER 1 REUSS PLAZA TOWER 1	0 22,044	Dec-13	Nov-13	May-14	15,266 0	(6,778)	\$340,232 (\$513,777)	Relocation Relocation	Complete
Orlando	FL	LANGLEY BUILDING	6,210	Feb-14			0	(6,210)	(\$145,564)	Office Closure	Delayed for Union negotiations
Sacramento	CA	JOHN E. MOSS FB	9,791	Feb-14			0	(9,791)	(\$315,420)	Office Closure	Delayed for Union negotiations
San Diego	CA	SYMPHONY TOWERS	4,325	Feb-14			0	(4,325)	(\$219,302)	Office Closure	Delayed for Union negotiations
Shreveport	LA	LOUISIANA TOWERS	6,838	Feb-14		Feb-14	0	(6,838)	(\$120,190)	Office Closure	Complete
Spokane	WA	THOMAS S. FOLEY US CH	4,426	Feb-14		Feb-14	0	(4,426)	(\$93,360)	Office Closure	Complete
Syracuse	NY	JAMES M HANLEY FB	2,255	Feb-14		Feb-14	0	(2,255)	(\$88,146)	Office Closure	Complete
Tampa	FL	R L TIMBERLAKE JR FB	7,658	Feb-14			0	(7,658)	(\$179,395)	Office Closure	Delayed for Union negotiations
Tucson	AZ	6245 EAST BROADWAY	4,524	Feb-14			0	(4,525)	(\$147,013)	Office Closure	Delayed for Union negotiations
Atlanta (OIG)	GA	RICHARD B. RUSSELL	10,802	Mar-14			7,381	(3,421)	(\$112,987)	Space Reduction	Space Reduction

Source: HUD Freeze the Footprint Space Plan 5-15-2014

HUD has planned **USF** reductions in FY 14 to FY 16 (continued)



City	State	Building Name	Existing USF	Release Inventory	Occupy new Space	New (USF)	Net Offset (USF)	Change in Rental Costs	Project Type	Comments
Denver Denver	co	To Be Determined 1670 BROADWAY	0 109,954	Jun-14	May-14	81,106 0	(28,848)	\$2,562,685 (\$3,419,492)	Relocation Relocation	Delayed due to funding until early FY 14
Birmingham	AL	MEDICAL FORUM	24,071	Sep-14		10,065	(14,006)	(\$364,085)	Succeding lease	
San Francisco San Francisco	CA CA	To Be Determined 600 HARRISON STREET	0 73,739	Sep-14	Sep-14	41,939 0	(31,800)	\$3,295,111 (\$2,751,269)	Relocation Relocation	
Indianapolis Indianapolis	IN IN	Minton-Capehart FOB MARKET SQUARE CENTER	0 29,778	Dec-14	Nov-14	16,780 0	(12,998)	\$426,003 (\$710,143)	Relocation Relocation	
Newark Newark	N) N)	To Be Determined ONE NEWARK CENTER	0 36,135	May-15	Apr-15	13,825 0	(22,310)	\$662,098 (\$1,750,444)	Lease Expiration Lease Expiration	
Providence Providence	RI RI	To Be Determined 121 SOUTH MAIN ST	0 12,380	Jul-15	Jun-15	1,750 0	(10,630)	\$55,335 (\$414,066)	Relocation Relocation	
Buffalo Buffalo	NY NY	Federal Building SIOBLEY	0 28,373	Oct-15	Sep-15	10,325 0	(18,048)	\$244,224 (\$578,580)	Relocation Relocation	
Charleston Charleston	WV WV	To Be Determined ATRIUM	- 8,880	Sep-15	Aug-15	1,575 0	(7,305)	\$26,459 (\$152,570)	Lease Expiration Lease Expiration	
Los Angeles Los Angeles	CA CA	Federal Building AT & T BLDG	0 72,569	Sep-15	Aug-15	25,200 0	(47,369)	\$1,140,364 (\$2,771,557)	Space Reduction Space Reduction	
Hato Rey, San Juan	PR PR	To Be Determined PARQUE LAS AMERICAS	0 30,000	Oct-15	Sep-15	7,525 0	(22,475)	\$415,895 (\$1,577,309)	Lease Expiration Lease Expiration	
Minneapolis Minneapolis	MN MN	FOB KINNARD FINANCIAL CTR	0 25,626	Oct-15	Sep-15	11,200 0	(14,426)	\$550,121 (\$1,073,507)	Relocation Relocation	
Salt Lake City Salt Lake City	UT UT	Federal Building WALLACE F BENNETT FB	0 11,100	Dec-15	Dec-15	3,500 0	(7,600)	\$102,509 (\$334,233)	Relocation Relocation	
Tulsa Tulsa	OK OK	To Be Determined WILLIAMS CENTER TOWER	0 11,946	Jan-16	Dec-15	3,850 0	(8,096)	\$72,388 (\$224,587)	Lease Expiration Lease Expiration	
Washington F. O.	DC DC	To Be Determined UNION CTR PLZ 2	0 24,531	Apr-16	Mar-16	7,970 0	(16,561)	\$299,650 (\$1,026,519)	Lease Expiration Lease Expiration	
Nashville Nashville	TN TN	To Be Determined CUMBERLAND-STE 200	0 15,486	Dec-16	Nov-16	4,206 0	(11,280)	\$65,866 (\$270,653)	Lease Expiration Lease Expiration	
	TO ⁻	TALS	764,671			375,617	(389,055)	(\$10,846,806)		



Washington DC | GSA Presented Renovation Options - Summary Table

Renovation Option	DESCRIPTION	FTE	USF/PP	EST. COST (NO SWING \$)	GSA Funds	Fit Funds	HUD Funds RWA	EST. 20- YR NPV
#1: Open Space Layout Plan (OSLP)	Replicate 2 nd fl OSLP across 3 additional floors; stacked for systems efficiency	3,386	129	\$21.7 M	\$10	\$.8	\$10.8 RWA	\$93M
#2: Complete Refresh	Paint; carpet; ceiling; furn; IT; elec; selective corridor wall demo	3,594	188	\$54M	\$20	\$24	\$10	\$142M
#3: Partial Renovation	OSLP model on perimeter offices; Refresh core	3,859	170	\$126M	\$87.9	\$37.6	\$37.6	\$124M
4.a. Complete Renovation at 160 UR	OSLP across entire building	4,225	160	\$158M	\$110.6	\$47.4	\$47.4	\$178M
4.b. Complete Renovation at 130 UR	.OSLP across entire building (120K USF addt'l capacity, ie FHFA, FTC)	5,200 (4,279 HUD + 921 other agency)	130	\$158M	\$110.6	\$47.4	\$47.4	\$256M
4.c. Complete Renovation at 130 UR	OSLP across entire building with seat ratio of 1:1.3 (249K USF addt'I capacity, ie FHFA, FTC)	6760 (4,279 HUD + 2,481 other agency)	130	\$158M	\$110.6	\$47.4	\$47.4	\$342M
5. Deep Retrofit	Comprehensive whole building modernization	6760 (4,279 HUD + 2,481 other agency)	130	\$515M	\$491	\$491	\$24.4M	\$13M



Washington DC | Revised Requested Scenarios - Summary Table

SCENARIO	DESCRIPTION	FTE	USF/PP	EST. COST (NO SWING \$)	FUNDING SCENARIOS	EST. 20- YEAR NPV
#1a: Open Space Layout Plan (OSLP) – Finish 2 nd floor	Finish remaining 53,000 USF @160 UR & 1.3:1 desk share creates room for 144 HC from HUD leases. Assumes backfill with 91 HC from Portals and 53 from Union Center	274 Current + 144 from Portals and Union Ctr in 2017 = 418	160	\$12.2M	\$9.5 M (GSA Consolidation Funds) + \$2.7 M FIT Funds	\$51.5M
#1aa: Open Space Layout Plan (OSLP) – Finish 2nd Floor	Finish remaining 53,000 USF@ 140 UR & 1.3:1 desk share creates room for 188HC from HUD leases. Assumes backfill w/ 97 HC from L'Enfant Plaza + 91 HC from Portals	274 Current +188 (97 from L'Enfant Plaza in 2016 + 91 from Portals in 2017) = 462	140	\$12.2M	\$8.4 M (GSA Consolidation Funds) + \$3.8 M FIT Funds	\$65.8M
#1b:Open Space Layout Plan (OSLP) – Finish an ENTIRE Floor	Finish ENTIRE 83,000 sf to model after OLSP. At 160 UR & 1.3:1 desk share creates room for 238 heads from HUD leases. Assumes we backfill with 149 HC from Washington Office + 91 HC from Portals	437 Current + 240 (149 from Washington Office in 2016 + 91 from Portals in 2017) = 677	160	\$19.4M	\$15.1M (GSA Consolidation Funds) + \$4.3 M FIT Funds	\$48.6M
#1bb: Open Space Layout Plan (OSLP) – Finish an ENTIRE Floor	Finish ENTIRE 83,000 sf to model after OLSP. At 140 UR & 1.3:1 desk share creates room for 337 HC from HUD leases. Assumes backfill with 97 HC from L'Enfant Plaza + 149 Washington Plaza + 91 HC from Portals	437 Current +337 (97 from L'Enfant + 149 Washington Plaza in 2016 + 91 from Portals in 2017) = 774	140	\$19.4M	\$13.4 M (GSA Consolidation Funds) + \$6 M FIT Funds	\$83.5M
#4d: Complete Renovation at 160 UR	OSLP across entire building @160 UR and with seat ratio of 1:1.3 creates 149K USF additional capacity for NON-HUD agencies employees estimated at 1,980 total HC	3,513 HUD employees + 1,980 from NON-HUD agency = 5,493	160	\$158.4M	\$13M FIT+ \$145.4M (Capital Request)	\$258M

Option Selected 38



Washington, DC | Lease Consolidation

Project Name	Project Type	Region	Description	Start	Complete	gPM Current Project Phase
Weaver Building 7TH St., SW	Renovate/ Re-Design	NCR	Exit Lease - Relocate to Weaver	7/1/14	12/31/14	Project Planning
Potomac Center 12th St., SW	Consolidate in Owned	NCR	Exit Lease - Relocate to Weaver	2015	2016	Project Planning
Portals Maryland Ave, SW	Consolidate in Owned	NCR	Exit Lease - Relocate to Weaver	2016	2016	Project Planning
Washington Office Ctr. 3rd St., SW	Consolidate in Owned	NCR	Exit Lease - Relocate to Weaver	2016	2016	Project Planning
L'Enfant Plaza 7th St., SW	Consolidate in Owned	NCR	Exit Lease - Relocate to Weaver	2016	2016	Project Planning
Union Station 2 1st St., NE	Consolidate in Owned	NCR	Exit Lease - Relocate to Weaver	2016	2016	Project Planning

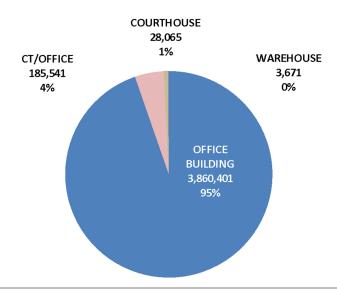
HUD national occupancy comprises primarily owned, office space



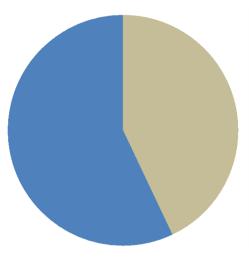
Observations:

- RSF occupied 4.1M RSF (3.3M USF)
 - Owned: 57% with 2.3M RSF in 66 OAs
 - Leased: 43% with 1.8M RSF in 70 OAs
- Annual rent expense \$115.6M
 - Owned: \$63.3M (55%) at \$27.19 / RSF average
 - Leased: \$52.6M (45%) at \$30.04 / RSF average
- Almost 100% of HUD occupied space is in office space

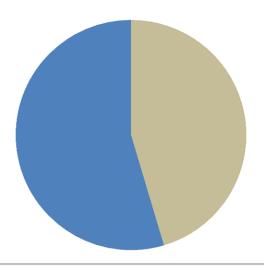
Property Type (RSF)



Owned/Leased (RSF)



Owned/Leased (Annual Rent)



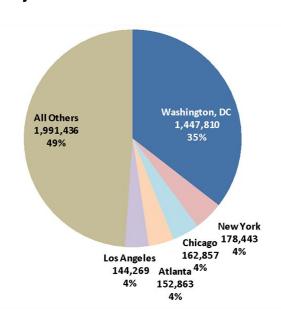
HUD properties are located primarily in five major metropolitan areas



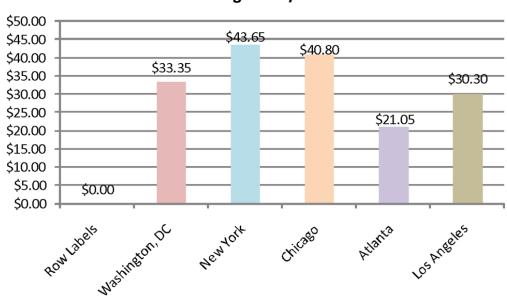
Observations:

- HUD nationwide RSF is concentrated in five cities representing 51% of its total RSF footprint
- Washington, DC has 35% of HUD RSF and is also third highest average rent
- Other metro areas have 4% or less of HUD total RSF

Major Metro locations RSF



Average Rent/RSF



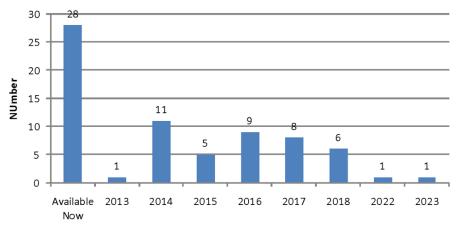
The majority of HUD leases are currently available for termination or expire between 2014 and 2016



Observations:

- HUD occupies 1.8M RSF with 70 OAs in leased locations totaling \$52.6 in annual rent
- 29 of those OAs are currently open for termination representing 33% of HUD annual lease rent
- Additional leases open for termination between 2014 and 2016 represent 85% of HUD total rent spend

Early Terminations



Termination Year



Source: GSA Portfolio data as of 2Q FY14

HUD has large leased locations in metropolitan areas, representing potential opportunities for optimizing to owned



Observations:

- Largest 12 leased locations represent 67% of total leased rent and 57% of its leased portfolio USF
- GSA anticipates increases to federal building vacancy in most metropolitan areas where HUD has leased locations, providing opportunity for GSA to consider relocating HUD from leased to owned



Address	Lease Expiration Date	Sum of Annual Rent	Sum of Assigned RSF	Rent/RSF
550 12TH STREET SW	4/25/2014	\$6.4M	113k	\$56.91
425 3RD ST SW	2/15/2016	\$3.7M	76k	\$48.68
100 PENN SQ E	8/31/2020	\$2.9M	120k	\$24.32
600 HARRISON STREET	9/16/2014	\$2.8M	78k	\$35.43
611 W 6TH ST	3/19/2016	\$2.7M	83k	\$33.17
801 CHERRY ST	9/30/2018	\$2.6M	109k	\$23.88
40 MARIETTA STREET	3/19/2019	\$2.6M	123k	\$20.84
1250 MARYLAND AVE SW	7/26/2017	\$2.3M	41k	\$55.13
470/490 LENFANT PLZ SW	6/30/2016	\$1.7M	33k	\$51.84
1085 RAYMOND BOULEVARD	4/21/2015	\$1.7M	42k	\$40.89
235 FEDERICO COSTAS ST.	9/30/2015	\$1.5M	33k	\$47.00
400 STATE AVE	2/28/2017	\$1.3M	69k	\$18.53
Top 12 Leased Total		\$32.3M	920k	\$35.11
Portfolio Leased Total		\$48.2M	1.4M	\$34.43
Top 7 Percent of Portfolio		67%	57%	



Location on HUD Field Office Reduction or Freeze Footprint Strategy

The HUD HQ in Washington, DC represents a large portion of the agency's overall portfolio



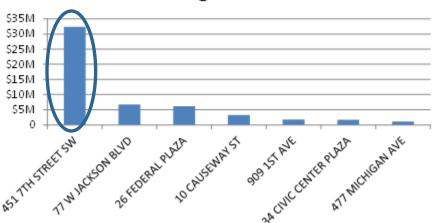
Observations:

- HUD Headquarters at Weaver Building in DC comprises 29% of nationwide footprint and 48% of its owned portfolio USF
- Largest seven owned locations represent 84% of owned portfolio rent and 75% of space

Robert C Weaver Building, HUD HQ in DC



Owned Building HUD Annual Rent



Owned Address	RSF	Annual Rent	Re	nt/RSF
451 7TH STREET SW	1,121,913.19	\$ 32,348,744.56	\$	28.83
77 W JACKSON BLVD	162,857.26	\$ 6,726,650.64	\$	41.30
26 FEDERAL PLAZA	136,888.13	\$ 6,158,950.08	\$	44.99
909 1ST AVE	95,983.84	\$ 1,758,934.01	\$	18.33
10 CAUSEWAY ST	86,382.16	\$ 3,282,914.16	\$	38.00
34 CIVIC CENTER PLAZA	61,527.99	\$ 1,720,218.94	\$	27.96
477 MICHIGAN AVE	58,862.89	\$ 1,124,549.53	\$	19.10
Top 7 Owned Total	1,724,415.46	\$ 53,120,961.93	\$	30.81
Portfolio Owned Total	2,310,347.22	\$ 63,463,875.20	\$	27.47
Top 7 Percent of Portfolio	75%	84%		

Source: GSA Portfolio data as of 2Q FY14

Summary of Opportunities Identified, Not Advanced



GSA Region	Opportunity	Contributing Strategy	Outcome	Potential Benefit

Planned and In-Progress Projects



Project	Description	Net Change in RSF*	Projected Cost*	NOTES
Leased to leased	San Francisco	20,629	\$2 M	Increased rent

Supporting Resources and References



Document Name	Document Source	Date	Applied Use
GSA Master Data Template	GSA Office of Portfolio Management	01/01/2014	Portfolio Analysis
HUD Strategic Plan 2014-2018 Draft	HUD	12/20/2013	Portfolio Analysis
HUD Freeze the Footprint Spreadsheet	HUD	05/15/2013	Portfolio Analysis
HUD Field Office Space Holdings by FOB and Lease	HUD	2013	Portfolio Analysis
Guidance for Calculating Scope 3 Emissions	World Business Council for Sustainable Development and World Resources Institute	August 2011	All Opportunities
Workplace+ Calculating Space GSA Workplace+ PMO Bulletin 01- Utilization 13		06/2013	All Opportunities

CPP Team Roster



HUD Team

Name	Role	Title
Patricia Hoban-Moore	HUD Executive Sponsor	HUD Director of Office of Administration
Kathryn Brantley	HUD Stakeholder Champion	HUD Director of Office of Human Capital Field Support
Michael Schimmenti	HUD Stakeholder	HUD Director of Facilities Management Services (HQ)
Lisa Surplus	HUD Stakeholder	HUD Deputy Director of Office of Human Capital Field Support
Frieda Edwards	HUD Stakeholder	HUD Office of Administration
Henry Hensley	HUD Stakeholder	HUD OMB Liaison
Laura McClure	HUD Stakeholder	HUD Strategic Planning
Mark Hayes	HUD Stakeholder	HUD Office of Information Technology
Mike Milazzo	HUD Stakeholder	HUD Office of Information Technology
Chip Mace	HUD Stakeholder	Director of Space and Asset Management Division (HQ)
Pat Shack	HUD Stakeholder	HUD Project Manager
Eric Williams	HUD Stakeholder	HUD Project Manager

CPP Team Roster (continued) – GSA Team



Name	Role	Title
Bill George	Program Team	Branch Chief - SMAAB
TBD	CPP Executive Sponsor	
JacquelynAnn Irby	CPP Team Lead	Office of Client Solutions, NCR
Tiffany Simon	CPP HUD NAM	National Account Manager – Office of Client Solutions
Jennifer Kendall	CPP Advisor	National Account Director – Office of Client Solutions
Loaela Hammons	CPP Program Manager	CPP Program Manager – RPAM
Ryan Booth	CPP Portfolio Representative	Real Property Asset Management Specialist – RPAM
Carolyn Adelsten	CPP Project Coordinator	CPP Business Planning and Improvement
Joel Tabatcher	CPP Leasing Representative	Real Estate Acquisition Specialist – National Office of Leasing, Center for Leasing Policy
Kevin Kelly	CPP Workspace Representative	Workspace Delivery Program, Office of Client Solutions
John McDaniel	CPP National Capital Region Representative	Asset Manager – Capital Planning Division, Region 11
Sara Towner	GSA Region NCR CPP POC	Office of Portfolio Management - NCR
Rebecca Hood/ Lauren Behan	GSA Region 5 CPP POC	Office of Client Solutions, PBS Region 5
Michael Bernatz	GSA Region 9 CPP POC	Office of Client Solutions, PBS Region 9
Jonna Larson	GSA Region 8 CPP POC	Office of Client Solutions, PBS Region 8
Gretchen Fisher	CBRE Consultant	Director, CBRE
Malcolm Squire	CBRE Analyst	Analyst, CBRE
Brian Stilley	Region 9	LA Opportunity Lead
Debbie Underwood/ Cynthia Palmer	Region 8	Denver Opportunity Lead

CPP Team Roster



Regional Team

Region	HUD Account Management POC	CPP Regional POC
NAM	Tiffany Simon	Tiffany Simon
Region 1	Karen Flanders	David Krassnoff & Jesse Lafreniere
Region 2	John Esposito	Maria Guida
Region 3	Jessica Giannone	Pat Zucca
Region 4	Jennifer Suggs	David Hofstetter, Jacqueline Watson, Danny Sawyer
Region 5	Shery Wittstock	Tasneen Bhabhrawala & Rebecca Hood
Region 6	Karla Wallace	Barbara Schmitt-Cole
Region 7	Garhett Goron	Matthew Madison, Jason Garlick & Debbie Venable
Region 8	Debbie Underwood	Cindy Palmer, Mark Hackley
_Region 9	James Lew	Michael Bernatz
Region 10	Richard Baker	Elizabeth Jessee, William George
Region 11	JacquelynAnn Irby	Eric Liu

Contact Information



All inquiries regarding the program or the content of this portfolio plan should be directed first to the CPP Program Manager

CPP Program

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Outcomes Achieved
Definitions
Portfolio Data





Outcomes Achieved



FY14 Outcomes Achieved: HUD Indianapolis, IN





Background

- HUD occupied a leased location at 151 North Delaware Street, Indianapolis expiring on Sept 30, 2015
- Rising lease rates in the Indianapolis market would significantly increase HUD's current lease rate
- With their budget constrained, HUD was excited to learn from GSA that vacant space existed in the nearby Minton-Capehart Federal Building
- The Federal Building was recently awarded LEED GOLD CI and the ENERGY STAR designations and HUD felt this move would improve employee morale
- HUD also needed to close offices in Michigan and Ohio, and reorganize through this move.

Action: Relocate from Leased to Owned

- GSA and HUD developed an informal check-in process to ensure necessary project activities were executed in alignment with the agency's stated goals
- GSA partnered with HUD to significantly reduce their UR. Initially there were union challenges to overcome but these were addressed by the fact that the union eventually understood that adopting to a more open space environment increased mobility and more productive work environment.

Results

- HUD employees are very happy with their new workspace and morale has improved
- Total investment costs were \$2M with a 10 yr payback; the federal building's vacancy was reduced by 6% (from 15% to 9%). Total Office UR achieved was 235 USF per person
- The HUD-GSA partnership resulted in HUD providing cable to the project site on time; phone equipment arrived on time. Despite initial delays in ordering furniture, GSA provided on-time construction and had the promised space available on time
- HUD chose to delay the move from Oct 1 till until Dec 2014; the FY15 Rent Savings is reduced one-time to \$75,000 due to rent incurred at both federal and lease locations. Rent savings in table below reflects savings after 1Q FY15. GSA terminated the lease on Dec 31, 2014.

SAVINGS ACHIEVED	• H	HUD's move to federal space allowed taxpayers an annual government lease cost avoidance of \$588K									
	Action	Start (End) Dates	Annual Rent (w/Tl)	Annual Rent (w/o TI)	RSF	USF	нс	All-in U/R (USF/person)	GHG Emissions (Tons)		
Baseline		1Q FY14	\$0.5M	\$0.5M	33,947	29,778	65	458	373		
Target	Relocation	4Q FY14	\$0.5M	\$0.3M	23,740	18,585	65	286	261		
			Cost / (Benefit):	(\$0.2M)	(10,207)	11,193	0	(172)	(112)		
			% Improvement:	(40%)	(30%)	(38%)	0%	(38%)	(30%)		
Savings Achieved to Date (% of Target Savings)			\$.2M (100%)	9,678 (96%)	10,818 (97%)	0	292 (98%)	105 (99%)			

QUICK FACTS

Portfolio Snapshot 4.1 MSF \$115.9 M rent roll 57% Owned space

43% leased space

Space Use 95% office space

5% other space National UR Goal: 175





Definitions

Acronyms Used in this Report



Acronym	Definition
FY	Fiscal Year The federal government's fiscal year runs from October 1 of the previous calendar year to September 30 of the year with which it is numbered.
GHG	Greenhouse Gas
GSA	General Services Administration
HQ	Headquarters
k	Thousand
М	Million
NCR	National Capital Region
OA	Occupancy Agreement An Occupancy Agreement is similar to a lease between GSA and each tenant agency in a building that establishes the rent and space assignment for each agency. Source: www.gsa.gov
OpEx	Operating Expense In a real estate context, operating expenses include non-rent costs associated with the operation and maintenance of a property. Source: www.gsa.gov
Payback	The payback period (in years) is calculated by dividing the total investment cost by run-rate annual savings
RSF	Rentable Square Feet The rentable area typically includes the usable area within the tenant's premises plus an allocation of common areas of the building. Source: GSA Workplace
RWA	Reimbursable Work Authorization
UR	Utilization rate (USF/person) To calculate space efficiency of a location, divide total usable square feet by the personnel that occupy the space. Source: GSA Workplace
USF	Usable Square Feet The usable area is the amount of space that the agency uses, including total office, special, and storage spaces. Source: GSA Workplace

Business Case Definitions SELECTED GLOBAL fields



Opportunity Analysis Component	Definition and limiting conditions	Reference / Source
Baseline	 The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison 	 GSA Master Data Template / GSA Portfolio Agency analyses and data / Individual Agency contacts and FRPP Business Case Model rel. 1 / Client Portfolio Planning & CBRE Business Case Principles Presentations / GSA Portfolio Jan – June 2013 (see extract on next page)
Target	The resultant End State of the portfolio after all Tactics have been implemented RSF, Rent, USF, HC (Headcount) are standard properties and not defined here Implementation Start / End Date: the earliest / latest date that is associated with any Tactic	Business Case ModelRegional analysesConsolidation Fund model
Tactics	 When all tactics are combined, these comprise the Strategic Plan for the Portfolio that is being analyzed and optimized Each individual Tactic is a time bounded action which impacts the performance metrics of the Portfolio Minimum data required include: Tactic date and building impacted by the proposed change Area subject to construction (see Build Out definitions) Change in area to be occupied and subject to recurring rent and operating costs Changes in headcount assigned to each individual location Construction scope and unit costs 	Opportunity Card / Opportunity Description by CPP teams Unit Costs from WIFM v1i / GSA Workplace
Net Improvement	Changes in key metrics of RSF, USF, Rent, USF/HC, and Greenhouse gases	N/A

^{*} Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total rent, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions SUMMARY HIGHLIGHTS



Item	Definition
Opportunity Description	Describe the scope of the opportunity. Explain movement between buildings, expiration dates, etc. This section gives the reader an understanding of what implementing the opportunity entails.
Potential Benefits: RSF Reduction	The amount of RSF change between the Baseline and Target plans, including the percentage of change in parentheses
Annual Rent Savings (w/o TI)	Difference between Baseline Annual Rent versus forecasted Target Annual Rent without costs of Build Out amortization included in the Target Annual Rent.
Total Investment Costs	Sum of all GSA and Agency Costs. Also shown as TIC amount in the OPPORTUNITY INVESTMENT DATA table.
Total Agency Upfront costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)
Total GSA Upfront costs	Sum of Build Out (TI) and Build Out (Core/Shell) from OPPORTUNITY INVSTMENT DATA table.
Agency Break even	Calculated number of years for the Agency to recoup the Agency Upfront Costs. Also shown in the OPPORTUNITY INVESTMENT DATA table.
Agency Priority	How this Opportunity is expected to be prioritized by the Agency. Rank by number (X) out of (XX). XX is the number of opportunities in the PR3.
Ability to Fund (FYXX)	FYXX identifies timing that funds would first be needed. Also include a subjective estimation of GSA's and the Agency's ability to fund – either High, Medium, or Low
Recommended Next Steps	Short list of time-bounded & assigned accountabilities for priority / major next steps or milestones to achieve the Opportunity benefits. Can change over time and will reflect contemporary situation.
Opportunity Review Status	Statement of key Stakeholder support of the Opportunity. Valid values: - Approved - In Process - Initiated - Rejected

^{*} Note: GSA's Business Case Analysis Model and specialized Regional worksheets are typically used to develop these data. Business Case Appendix materials identify Sources.

Opportunity Card Definitions OPPORTUNITY ANALYSIS table



Item	Definition	
Baseline	 The data and details necessary to establish the Present State of the real estate portfolio that contains all the property to be impacted by a series of tactics and associated with an Occupancy Plan Data are extracted in a consistent method from the GSA Master Data Template as inputs to the Business case tools (Business Case model, specialized tools, etc.) Minimum data required include: Property description and unique identifier Useable area Housed headcount Control (Owned / Leased; GSA- or Agency-) Control timeframe (Expiration date or Owned) Total Annual rent* For Business Case comparison purposes, ALL CONDITIONS are assumed as CONSTANT for the entire duration of the business case analysis term Business Case tool used to quantify annual costs, areas, and measures for comparison 	
Target	Forecasted future conditions ("End State") scenario and associated measures. See Baseline definition.	
Action	Strategy to be used to implement changes between Baseline and Target scenarios. Possible selections include: - Consolidation - Capital Deployment - Relocation - Market Driven - Right Size in Place - Process / Service Improvement - Cost Avoidance - Sustainability	
Start (End) Date	Expected Quarter & Fiscal year timings associated with the Business Case Action. Stated in in the format of "OQ FY00"	
Annual Rent (w/TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises. Specifically excludes repayment of capital investments made by other entities. Values are consistent for Business Case purposes. Not for Budgets.	
Annual Rent (w/o TI)	Agency payments to landlords and / or other suppliers for all costs of occupying and / or operating real estate premises PLUS repayment of capital investments made by other non-Agency entities. Values are consistent for Business Case purposes. Not for Budgets.	

^{*} Note: The Master Data template includes both an ANNUAL Total and unit costs on a \$/RSF basis; when computation of the Annual rent based on the MDT unit rates is at variance with the ANNUAL Total rent, Business cases use the ANNUAL Total rent and include an "Other" unit rate adjustment in the detailed Operating Cost section of the Business Case Analysis Tool(s).

Opportunity Card Definitions OPPORTUNITY ANALYSIS table – ACTION* types



	OPTIMIZING FEDERAL REAL ESTATE
Item	Description
Consolidation	A Consolidation Opportunity brings staff together and results in fewer Agency locations. If the Target location is not presently occupied by the Agency, then the Opportunity is classified as a Relocation.
Relocation	A Relocation Opportunity moves staff from an existing location into another location. If the Target location is presently occupied by the Agency, then the Opportunity is classified as a Consolidation.
Right Size	A Right-size Opportunity reduces space at the Baseline location to achieve the Target end-state. All change is within a Baseline location.
Avoid Expansion	An Avoid Expansion Opportunity illustrates change between a Target end-state that "may" have resulted if all conditions within the property that the Agency presently occupies were replicated to accommodate growth versus the Target end-state. The Baseline condition is modified to forecast what "would" be needed ("Avoided Future State") and then compared to the Target end-state. These Opportunities are typically associated with, but not limited to, accommodating growth within an existing footprint instead of establishing larger or other premises.
Capital Deployment	A Capital Deployment Opportunity will create change within one or more properties that the Agency presently occupies by means of disposition or some special type of financing (e.g., sale, sale-leaseback, special financing).
Market Driven	A Market Driven Opportunity will create change within one or more properties that the Agency presently occupies by conducting negotiations to improve the economics of the occupancy. Examples include lowering rents to match market conditions and lowering rents by extending the term of the occupancy.
Process / Service Improveme	A Process / Service Improvement Opportunity will create change within one or more properties that the Agency presently occupies through adoption of improved processes or acquisition services such as Digital Print management, bulk purchasing contracts, etc.
Sustainability	A Sustainability Opportunity will create change within one or more properties that the Agency presently occupies by improving the operating costs of the occupancy through implementation of projects that are focused on Greenhouse gases, commutation, LEED certifications, recycled materials, etc.

^{*} Opportunities may be comprised of several different Actions. Select the predominant Action.

Opportunity Card Definitions OPPORTUNITY Sub-types



Opportunity Type	Opportunity Sub-Types
Consolidation	Leased to Leased Leased to Owned Owned to Leased Owned to Owned Leased to Combined Owned to Combined
Right-size in place	
Relocation	Exit and Exercise Early Lease Termination Exit and Relocate to Leased Exit and Relocate to Owned
Market Driven	Rent Renegotiation Blend and Extend
Cost Avoidance	
Capital Deployment	Disposal Exchange for Services Public Private Partnership Sale-Leaseback
Sustainability	
Process / Service Improvement	Process (e.g., Print strategy) Contract (e.g., Fleet purchasing)

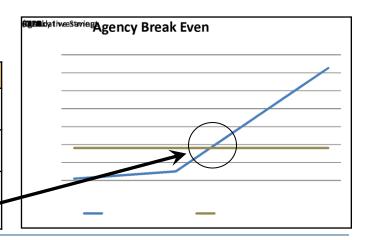
Opportunity Card Definitions OPPORTUNITY ANALYSIS table



Item	Definition
RSF	Rentable Square Feet that are analyzed in Baseline and Target scenarios.
USF	Useable Square Feet that are analyzed in Baseline and Target scenarios.
НС	HEADCOUNT ("HC") assumed to be housed in Baseline and Target scenarios
All-in UR	Utilization rate for Baseline and Target scenarios. Calculated by dividing Baseline- or Target-USF by the appropriate HC.
GHG Emissions (Tons)	
Annual TI Payment in Rent	Annual rent paid by Agency to repay GSA for Build Out investments associated with the Opportunity. Appropriate cost of funds and monthly amortization schedule converted to annual amount.
Cost / (Benefit) and %Improvement	Quantification of change between Baseline and Target scenarios. Cost / (Benefit) in numerical form. %Improvement as a percent and calculated by dividing Cost / (Benefit) by corresponding Baseline value.
# of years TI is being amortized	Number of years an Agency would repay Build Out as additional Rent. DEFAULT = 5 years.
Savings Achieved to Date	Periodic tabulation of ACTUAL results across all metrics. See Project Card descriptions.

AGENCY BREAK EVEN graph

Segment	Definition
Cumulative Savings	Total of Annual Rent savings accumulated over time. Annual Rents include adjustments for TI Amortization.
Agency Investment	Running sum of <i>Total Agency Upfront costs</i> displayed on an annual basis.
Break Even	Point where Cumulative Savings cross the Agency Investment line; representative of the number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs



Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Build Out (TI)	There are 3 potential scopes of work that are eventually intended to be included in this category and are derived from GSA Workplace WIFM tool definitions for consistency: Minimal Refresh Renovate Renovate New Build Out In the majority of the CPP business cases, NEW BUILD OUT scope is assumed when projects are in the early stage of development and generally aligns with: Investments required to improve space from a "warm, lit shell" condition and ready the premises for the installation of furnishings and other personal property Investments for ALL construction costs whether paid by the Agency or GSA without reduction for any available Tenant Improvement Allowance provided either by a 3rd party Landlord or a GSA Tier allowance Adjustments for location and escalation over time included DEFAULT Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise;10% special space included and assumed at Support Space unit costs DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool In many business cases, project estimates for Build Out costs have been prepared by Regional / Agency teams; these are considered to be more accurate and are included whenever possible. Comments in the business case analysis tools will identify when these assumptions have been used and summaries will be included in the PR3.	WIFM / GSA Workplace GSA Project Cost Planning Guide; Dec 2013 as incorporated into WIFM assumptions and planning forecasts and updated for Repair and Alteration scopes in Dec 2013 / GSA Design and Construction and GSA Workplace
Build Out (Core / Shell)	 NOT TYPICAL: For Client Portfolio Planning business cases, it is unlikely that these costs will be attributed to a Client Agency business case and are typically assumed to be out-of-scope for CPP business case purposes (Note: these costs are typically captured in the GSA "Lease vs. Own" analysis processes) Core / Shell costs If included: Investments required to create or otherwise modify building systems or components and establish a "warm, lit shell" condition which is ready for Build Out investments; justification for inclusion in Agency Business Case provided 	 GSA Asset and Portfolio teams The Automated Prospectus System (TAPS) tool Prospectus approval documents / varies

Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Furniture	 Costs for NEW furnishings and other personal property installed in space that has been improved in accordance with the Build Out conditions above (Note: variances to NEW standard assumption will identify appropriate scope, assumptions, and estimate source) Furniture and equipment for standard Offices, Workstations, Conference rooms, filing, and standard support areas; other areas as needed and identified Does not include personal property such as, but not limited to, printers, computers, phone switches or other specialized equipment Workplace assumption: 80% workstation / 20% office space allocations assumed unless stated otherwise NO COSTS included for 10% special space in addition to Workplace area assumed unless stated otherwise DEFAULT Unit costs based on a "Typical" project size of approx. 100k square feet, 500 housed headcount with NO desk sharing, standard office @ 120 nsf; standard workstation @ 64 nsf; Interaction level = High as defined in WIFM tool 	WIFM v1i / GSA Portfolio and Workplace teams GSA national furniture purchasing schedule / GSA FAS Standard Office furniture components analysis / GSA Portfolio; December 2013 Business Case Model Consolidation Fund worksheet Specialized Regional analyses
IT	If available and applicable, costs identified for IT that are not included in any other category such as, but not limited to, printers, computers, cell phones, phone switches, data rooms, etc.	Agency GSA Others
Move	 Investments for relocating personnel within the local market (limit approx. 15 miles) DEFAULT \$3/USF for each property being exited (unless other assumption identified) Adjustments for location and escalation NOT included or available 	GSA pricing schedules and Rough order of magnitude best practices / GSA Portfolio and Region interviews
Other	Catch all category for all other investments including but not limited to Change management program costs, termination penalties, fees, specialized equipment, etc.	Varies

Opportunity Card Definitions OPPORTUNITY INVESTMENT DATA table



Investment Data Category	Definition and limiting conditions	Reference / Source
Total Investment Costs (TIC)	 Forecasted investment requirements to implement Target Sum of Build Out, Furniture, IT, Move and Other costs 	 Business Case Model Consolidation Fund worksheet Specialized Regional analyses
Agency Upfront Costs	Sum of Furniture + IT + Move + Other in the OPPORTUNITY INVESTMENT DATA table. (FIT funds are included here and are <i>not</i> included in the annual rent as amortized costs.)	GSA Project teams
Agency Break Even	 Number of years that are required to fully recoup, on a simple-payback basis, the Agency Upfront Costs Calculation is dependent on length of time and rent reduction forecast; see special instructions in Appendix 	GSA Pricing guidance and calculation methods; June 2014
Funding Sources	 Identification of expected Budget source for required investments Agency-related Sources are summed in the Agency Upfront Costs field 	GSA project teams GSA and Agency finance staff

Additional notes:

- The investment values displayed in the OPPORTUNITY INVESTMENT DATA table typically represent a Planning /
 Business Case level of detail and <u>are not cost estimates</u>; accordingly, these investment values are not recommended for
 use in Budgeting or Project commitments without review of scopes and applicability of cost factors.
- 2. As noted above, other significant investments may be required to create the "warm, lit shell" conditions and are excluded from all Tenant Agency perspectives and forecasts.

Opportunity Project Card Definitions OVERVIEW



FY14 Portfolio Review and Recommendations Reports (PR3s) include templates to identify and track details for PROJECTS that comprise an Opportunity

- The Project Table lists all Projects expected to be accomplished as an Opportunity moves from Baseline to Target state
- Each Project Card tracks details about scopes, costs, benefits, and actual Outcomes
- Opportunity and Project Card fields share definitions

Project Table Template

Project Card Template



Opportunity and Project Card Definitions Agency Break Even calculations



Selecting appropriate method for Break Even Year Calculation:

Use Formula 1 if:

Target Annual Rent w/TI IS LESS THAN The Baseline Annual Rent w/TI (it is possible to break even during the amortization period)

If y ends up being > the # of years amortized, use Formula #2 to determine the Break Even Year.

Use Formula 2 if:

Target Annual Rent w/TI IS GREATER THAN The Baseline Annual Rent w/Tis (break even will exceed the TI amortization period)

Formula 1 (capturing costs during the years with TI):

Break Even Year = Agency Upfront Costs

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

Formula 2 (capturing costs after TI drops off):

Break Even Year = Annual TI Payment in Rent * # of years TI is amortized + Agency Upfront Costs

(Baseline Rent w/o TI - Target Rent w/o TI)

Opportunity and Project Card Definitions Agency Break Even calculations



Calculate ANNUAL RENT (w/TI)

Step 1: Establish the Opportunity's total Annual Rent w/o TI

For projects in owned space, there is no PBS fee.

For projects in leased space, assume a PBS fee of 7% that is applied to the entire rent.

In some leases, the space may have a non-cancelable OA (not as common). If those instances are known, the PBS fee is 5%.

Step 2: Calculate the Additional Rent (Annual TI amortization) and add it to the Annual Rent w/o TI

Annual TI Payment in Rent calculation in Excel:

=PMT(TI Amortization Rate, Amortization Term in Months, Build Out (TI))*12

Example: Convert \$16,502,881 in TI to additional Annual Rent

Formula: =PMT(0.02835/12, 60, 16502881)*12

VARIABLES:

TI Amortization Rate - for any project in federal space or funded by the Consolidation Fund (owned or leased), assume an amortization rate of 2.835%. For any other leased project (i.e. TI funded by the lessor), assume an amortization rate of 5.835%.

Amortization Term in Months - Default repayment term is 5 years or 60 months (unless otherwise specified)

Build Out (TI) - The total TI cost to be amortized (unless otherwise specified)

Notes:

- The Annual TI Payment in Rent will come out of the calculation as a negative number. Make it a positive number and round to the nearest whole dollar.
- Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to show these costs in Build Out (TI) section.

Opportunity and Project Card Definitions Agency Break Even calculation derivations



EXAMPLE calculations derivations

Formula 1 (capturing costs during the years with TI):

Break Even Year = Agency Upfront Costs

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

y = Break Even Year

Old Cost = Baseline Annual Rent w/TI * y

New Cost = Target Annual Rent w/TI * y + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

Baseline Annual Rent w/ TI * y = Target Annual Rent w/ TI * y + Upfront Tenant Costs

Rearranging:

Baseline Annual Rent w/ TI * y - Target Annual Rent w/ TI * y = Upfront Tenant Costs

Solving for y:

y = <u>Upfront Tenant Costs</u>

(Baseline Annual Rent w/TI - Target Annual Rent w/TI)

Formula 2 (capturing costs after TI drops off):

Break Even Year =

Annual TI Payment in Rent * # of years TI is amortized + Agency Upfront Costs

(Baseline Rent w/o TI – Target Rent w/o TI)

y= Break Even Year

Old Cost = Baseline Rent w/o TI * y

New Cost = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Break Even happens when Old Cost = New Cost

Therefore, set Old and New Costs equal to each other:

Baseline Rent w/o TI * y = Target Rent w/o TI * y + Annual TI amount * # of years amortized + Upfront Tenant Costs

Rearranging:

Baseline Rent w/o TI * y - Target Rent w/o TI * y= Annual TI amount * # of years amortized + Upfront Tenant Costs

Solving for y:

y = Annual TI amount * # of years amortized + Upfront Tenant Costs

(Baseline Rent w/o TI - Target Rent w/o TI)

Opportunity and Project Card Definitions Agency Break Even misc.



Other Definitions and Limiting Conditions

Savings Achieved to Date

This is the sum of the Outcome Report Savings from any projects that have completed Outcome Reports.

Build Out (TI)

Enter the Total TI for the Opportunity

Build Out (Core and Shell) WILL NOT be included in the Annual Rent w/TI field

Build Out (Shell)

Enter the shell costs for the Opportunity

Assume GSA will be paying the upfront costs for any project in federal space or funded by the Consolidation Fund

Note: Consult the Pricing Team and Program Team if there are any tenant requested shell improvements or mid-occupancy / post-initial occupancy requests for TI. In consultation with Pricing, the Program Team will provide guidance on how to include and display these costs in Build Out (TI) fields.

Furniture and IT

Do NOT include amortization of these investments as additional Annual Rent

Assume no fees or interest rates unless otherwise specified. Consult with the Program Team re: any current fees if TW/FIT is being used.





Portfolio Data



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Real Estate Portfolio Overview

Data as of 2Q FY14

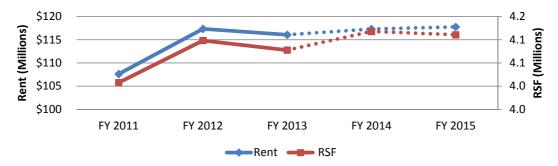
Total RSF	4,077,678
Owned RSF	2,326,957
Leased RSF	1,750,721
Total Annual Rent	\$ 115,852,046
Owned Rent	\$ 63,259,360
Leased Rent	\$ 52,592,686

Top 5 Markets

Washington-Arlington-Alexandria, DC-VA-MD-WV New York-Newark-Jersey City, NY-NJ-PA Chicago-Naperville-Elgin, IL-IN-WI Atlanta-Sandy Springs-Roswell, GA Los Angeles-Long Beach-Anaheim, CA

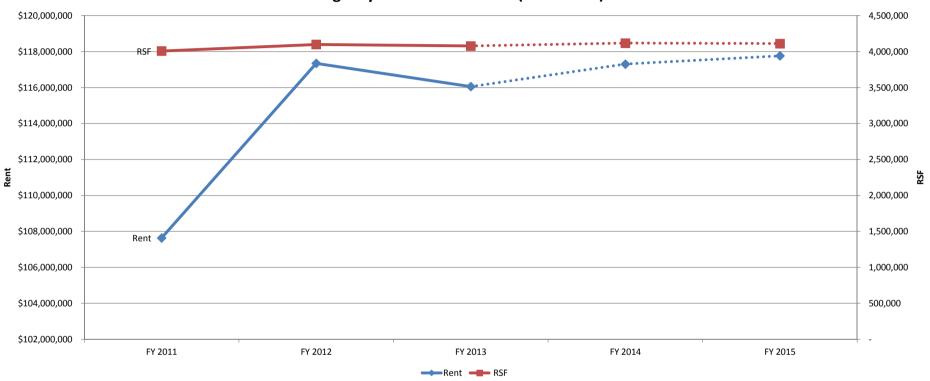
Number of Occupancy Agreements

Agency Rent & RSF Trends (FY11-FY15)









	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Rent	\$ 107,637,475	\$ 117,345,039	\$ 116,054,607	\$ 117,301,717	\$ 117,763,215
Leased	\$ 49,859,865	\$ 54,543,906	\$ 52,854,511	\$ 53,429,473	\$ 53,981,992
Owned	\$ 57,777,610	\$ 62,801,133	\$ 63,200,096	\$ 63,872,244	\$ 63,781,223
RSF	4,007,781	4,098,382	4,077,700	4,117,711	4,110,615
Leased	1,714,514	1,792,937	1,750,721	1,750,721	1,743,626
Owned	2,293,267	2,305,445	2,326,979	2,366,990	2,366,989

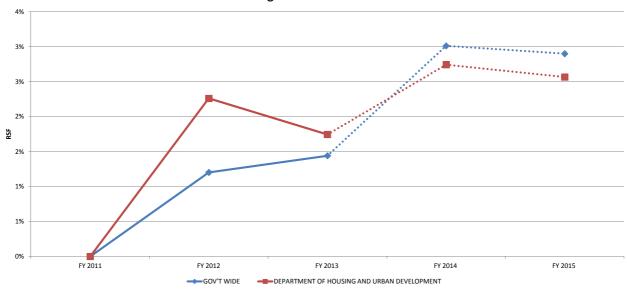
Source: FY15 Rent Estimate



Data as of March 2014 Page 2 of 22

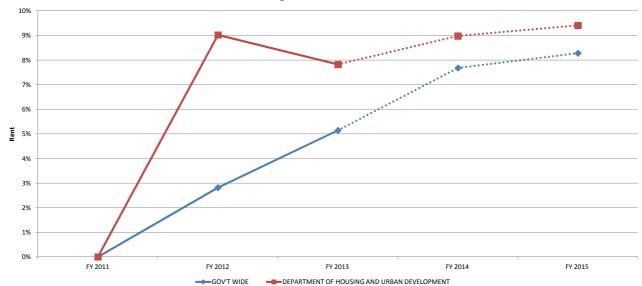


RSF Changes Over FY 2011 Baseline



RSF	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Government-Wide R	SF Increase Over FY11 Baseline				
Leased	0%	2%	2%	3%	3%
Owned	0%	0%	1%	3%	3%
GOV'T WIDE	0%	1%	1%	3%	3%
	se/Decrease Over FY11 Baseline				
Leased	0%	5%	2%	2%	2%
Owned	0%	1%	1%	3%	3%
DEPARTMENT OF F	0%	2%	2%	3%	3%

Rent Changes Over FY 2011 Baseline



Rent	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Government-Wide F	RSF Increase Over FY11 Baseline				
Leased	0%	3%	5%	6%	7%
Owned	0%	2%	5%	10%	10%
GOV'T WIDE	0%	3%	5%	8%	8%
Agency RSF Increas	se/Decrease Over FY11 Baseline				
Leased	0%	9%	6%	7%	8%
Owned	0%	9%	9%	11%	10%
DEPARTMENT OF H	0%	9%	8%	9%	9%

Source: FY14 Rent Estimate



Data as of March 2014 Page 3 of 22

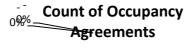
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENTOwned vs. Leased Breakdown



Rentable Square Feet



	Assigned RSF	Sum of Annual F
Leased	1,750,721	52,592,686
Owned	2,326,957	63,259,360
Grand Total	4.077.678	115.852.046



■ Leased
■ Owned

Agency Name HUD Bureau Name (All)

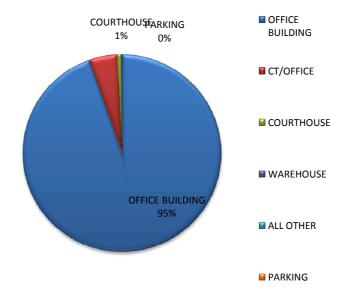
	Count of OA's Annual Rent
Leased	52,592,686
Owned	63,259,360
Grand Total	115,852,046



Property Types



Property Types



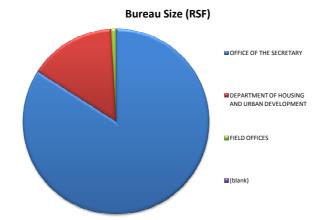
Agency Name	HUD
Bureau Name	(AII)

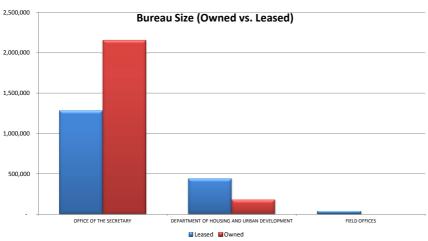
Space Type	Sum of Assigned RSF	Count of OA's
OFFICE BUILDING	3,860,401	
CT/OFFICE	185,541	
COURTHOUSE	28,065	
WAREHOUSE	3,671	
ALL OTHER	-	
PARKING	-	
Grand Total	4,077,678	



Data as of 2Q FY14 Page 5 of 22







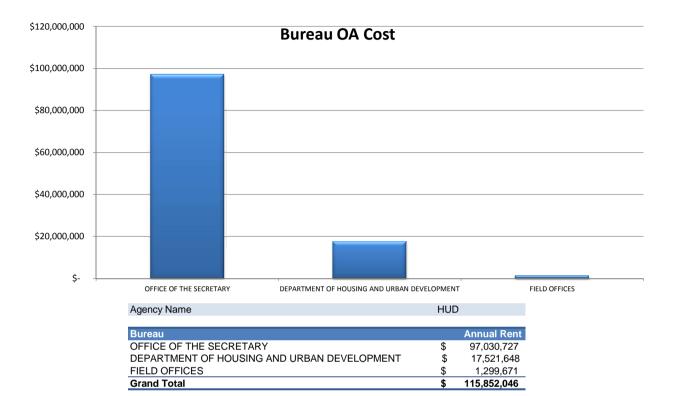
Bureau	Leased	Owned	Grand Total
OFFICE OF THE SECRETARY	1,279,771	2,149,696	3,429,467
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	434,519	177,261	611,780
FIELD OFFICES	36,431	-	36,431
Grand Total	1.750.721	2.326.957	4.077.678

HUD

Agency Name

Bureau OA Cost Breakdown









Inventory Segment Size



Agency Name HUD Bureau Name (All)

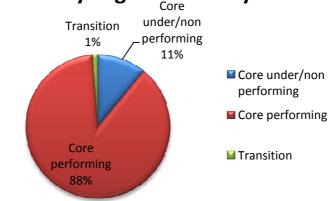
Number of OA's

■ Transition

Core under/non performing Core performing Transition

Grand Total

Inventory Segment Size by RSF



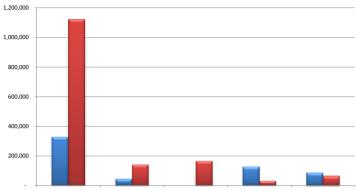
Agency Name HUD Bureau Name (All)

	Assigned RSF
Core under/non performing	253,377
Core performing	2,044,971
Transition	28,610
Grand Total	2,326,957









Washington-Arlington... New York-Newark-Jers... Chicago-Naperville-E... Atlanta-Sandy Spring... Los Angeles-Long Bea...

■Leased ■Owned

Agency Name	HUD
Bureau Name	(All)

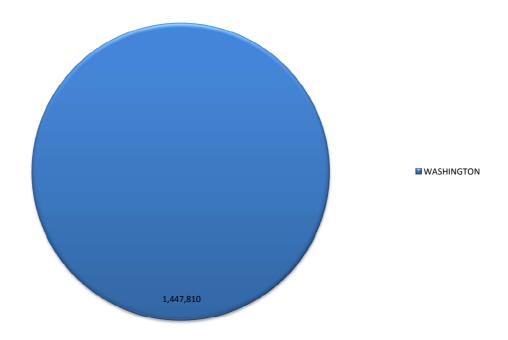
Sum of Assigned RSF			
Metropolitan Area	Leased	Owned	Grand Total
Washington-Arlington-Alexandria, DC-VA-MD-WV	325,897	1,121,913	1,447,810
2 New York-Newark-Jersey City, NY-NJ-PA	41,555	136,888	178,443
3 Chicago-Naperville-Elgin, IL-IN-WI		162,857	162,857
4 Atlanta-Sandy Springs-Roswell, GA	123,370	29,493	152,863
5 Los Angeles-Long Beach-Anaheim, CA	82,741	61,528	144,269
Dallas-Fort Worth-Arlington, TX	108,611	17,949	126,560
Denver-Aurora-Lakewood, CO	122,676	-	122,676
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	122,379		122,379
Seattle-Tacoma-Bellevue, WA		95,984	95,984
Boston-Cambridge-Newton, MA-NH		86,382	86,382
Kansas City, MO-KS	80,902		80,902
San Francisco-Oakland-Hayward, CA	77,697		77,697
Detroit-Warren-Dearborn, MI		58,863	58,863
Oklahoma City, OK		41,539	41,539
San Antonio-New Braunfels, TX		40,000	40,000
New Orleans-Metairie, LA		36,366	36,366
Baltimore-Columbia-Towson, MD	34,984		34,984
Houston-The Woodlands-Sugar Land, TX	34,355		34,355
Pittsburgh, PA		34,306	34,306
Cleveland-Elyria, OH	34,247		34,247
Indianapolis-Carmel-Anderson, IN	33,947		33,947
Buffalo-Cheektowaga-Niagara Falls, NY	32,629		32,629
Phoenix-Mesa-Scottsdale, AZ	30,993		30,993
Miami-Fort Lauderdale-West Palm Beach, FL		30,790	30,790
St. Louis, MO-IL	-	30,088	30,088
Birmingham-Hoover, AL	28,919		28,919
Columbia, SC		28,610	28,610
Louisville/Jefferson County, KY-IN		27,613	27,613
Little Rock-North Little Rock-Conway, AR	24,946		24,946
Hartford-West Hartford-East Hartford, CT	24,647		24,647
Portland-Vancouver-Hillsboro, OR-WA		21,890	21,890
Anchorage, AK	20,447		20,447
Salt Lake City, UT		15,406	15,406
Providence-Warwick, RI-MA	14,906		14,906
SacramentoRosevilleArden-Arcade, CA		14,812	14,812
Des Moines-West Des Moines, IA		13,783	13,783
Urban Honolulu, HI	11,194		11,194
Las Vegas-Henderson-Paradise, NV	10,813		10,813
Boise City, ID	5,693		5,693
San Diego-Carlsbad, CA	5,241		5,241
Tucson, AZ	5,138		5,138
Grand Total	1,438,927	2,107,057	3,545,984

Data as of 2Q FY14 Page 9 of 22

Submarket Breakdown



RSF by Submarket



Agency Name HUD Bureau Name (All) Owned/Leased (All)

Market Washington-Arlington-Alexandria, DC-VA-MD-WV <--Select Metro Area Here

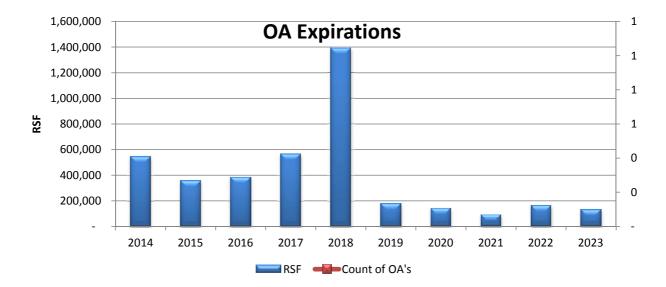
Submarket	RSF	Count of OA's	Annual Rent
WASHINGTON	1,447,810		48,279,321
Grand Total	1,447,810		48,279,321



DEPARTMENT OF HOUSING AND URBAN DEV

OA Expirations by FY





Agency Name	HUD
Bureau Name	(All)
Market	(All)
City	(All)
Owned/Leased	(Multiple Items)

Fiscal Year of Expiration	RSF	Count of OA's
2014	545,643	
2015	353,672	
2016	383,623	
2017	565,100	
2018	1,389,747	
2019	178,114	
2020	138,797	
2021	90,402	
2022	160,535	
2023	128,922	
Grand Total	3,934,554	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OA Expirations List



Agency Name HUD
OA Expiration FY (Multiple Items) <- Select Fiscal Year Bureau Name (All) <- Select Bureau Market (All) <- Select Metro Area

*Table shows a max of 50 OA's per FY

	K OF SO CATS PER FIT			
OA Number	Building Name	City	RSF	Annual Rent
(blank)	ROBERT C. WEAVER BUILDING	WASHINGTON	1,121,913	32,355,961
	METCALFE BUILDING	CHICAGO	162,857	6,644,974
	JACOB K. JAVITS FB/CIT	NEW YORK-MANHATTAN	132,595	5,869,802
	BURNETT PLAZA	FORT WORTH	108,611	2,575,529
	FED OFFICE BLDG	SEATTLE	92,275	1,685,251
	THOMAS P. O'NEILL JR. FB	BOSTON	86,382	3,263,599
	AT & T BLDG	LOS ANGELES	82,741	2,654,376
	CAPITAL VIEW	WASHINGTON	76,200	3,704,530
	TOWER II-GATEWAY CTR	KANSAS CITY	69,437	1,291,806
	FEDERAL BUILDING	SANTA ANA	61,528	1,716,392
	P V MCNAMARA F B	DETROIT	58,863	1,100,307
	CHAS. E. BENNETT FB	JACKSONVILLE	44,368	917,938
	ONE NEWARK CENTER	NEWARK	41,555	1,485,650
	THE PORTALS	WASHINGTON	41,447	2,438,971
	BRICKER FEDERAL BLDG	COLUMBUS	38,375	635,034
	H BOGGS FED BLDG/COURTHOUSE	NEW ORLEANS	36,366	546,111
	CITY CRESCENT BLDG	BALTIMORE	34,984	1,147,813
	409 3RD ST. S.W.	WASHINGTON	34,513	1,254,965
	MARKET SQUARE CENTER	INDIANAPOLIS	33,947	586,113
	470/490 LENFANT PLZ	WASHINGTON	33,214	1,712,023
	PARQUE LAS AMERICAS OFC.	HATO REY, SAN JUAN	32,745	1,594,484
	SIOBLEY	BUFFALO	32,629	577,364
	BRICKELL PLAZA BLDG	MIAMI	30,790	825,117
	ROBT A YOUNG FED BLD	SAINT LOUIS	30,088	400,285
	KINNARD FINANCIAL CENTER	MINNEAPOLIS	29,413	788,371
	UNION CTR PLZ 2	WASHINGTON	27,303	1,029,098
	DR. A. H. MC COY FB	JACKSON	25,722	442,011
	REUSS PLAZA TOWER 1	MILWAUKEE	25,420	492,039
	NORRIS COTTON FB	MANCHESTER	19,949	466,522
	CUMBERLAND-STE 200	NASHVILLE	17,283	271,278
Grand Total			2,663,514	80,473,712

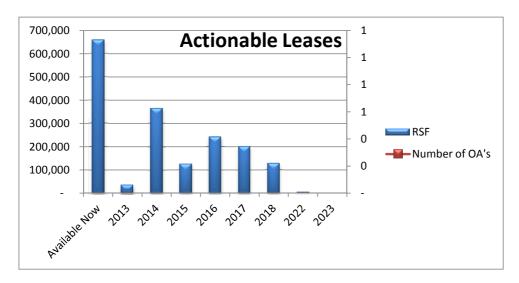


Data as of March 2014 Page 12 of 22

DEPARTMENT OF HOUSING AND URBAN DEVI

Actionable Lease Trend





Agency Name	HUD
Bureau Name	(AII)
Market	(AII)
City	(AII)
Owned/Leased	Leased

Fiscal Year of Expiration	RSF	Number of OA's
Available Now	657,170	
2013	34,513	
2014	364,420	
2015	123,911	
2016	240,720	
2017	200,018	
2018	126,212	
2022	3,757	
2023	-	
Grand Total	1.750.721	

DEPARTMENT OF HOUSING AND URBAN DEVI

Lease Expirations Trend





Agency Name	HUD
Bureau Name	(All)
Market	(AII)
City	(All)

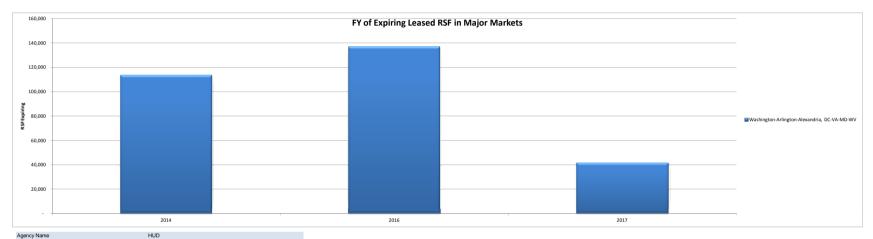
Fiscal Year of Expiration	RSF	Number of OA's
2013	143,124	
2014	437,143	
2015	202,026	
2016	268,364	
2017	148,635	
2018	56,389	
2019	143,808	
2020	127,517	
2021	73,443	
2022	109,414	
2023	40,858	
2026	-	
Grand Total	1,750,721	



Agency Name HUD
Bureau Name (All)
Market (All)
Note: Page displays a maximum of 100 Expirations

Note: Page displays a maximum of 100 Ex	pirations				
RSF		Lease Expiration FY			
Building Name	City	2015	2016	2017	Grand Total
AT & T BLDG	LOS ANGELES		82,741		82,741
CAPITAL VIEW	WASHINGTON		76,200		76,200
TOWER II-GATEWAY CTR	KANSAS CITY			69,437	69,437
ONE NEWARK CENTER	NEWARK	41,555			41,555
THE PORTALS	WASHINGTON			41,447	41,447
MARKET SQUARE CENTER	INDIANAPOLIS	33,947			33,947
470/490 LENFANT PLZ	WASHINGTON		33,214		33,214
PARQUE LAS AMERICAS OFC.	HATO REY, SAN JUAN	32,745			32,745
SIOBLEY	BUFFALO	32,629			32,629
KINNARD FINANCIAL CENTER	MINNEAPOLIS	29,413			29,413
UNION CTR PLZ 2	WASHINGTON		27,303		27,303
REUSS PLAZA TOWER 1	MILWAUKEE		25,420		25,420
CUMBERLAND-STE 200	NASHVILLE			17,283	17,283
121 SOUTH MAIN ST	PROVIDENCE	14,906			14,906
WILLIAMS CENTER TOWER II	TULSA		13,738		13,738
ONE MEMPHIS PLACE	MEMPHIS			13,060	13,060
ATRIUM	CHARLESTON	10,212			10,212
855 "M" STREET	FRESNO		7,324		7,324
LANGLEY BUILDING	ORLANDO			6,956	6,956
WASHINGTON GROUP PLAZA	BOISE	5,693			5,693
ONE MERCHANTS PLAZA	BANGOR		2,424		2,424
WILLIAM J. JAMESON	BILLINGS	926			926
U.S. DISTRICT COURT BUILDING	HAGATNA			452	452
180 PARK ROW	NEW YORK-MANHATTAN		-		-
Grand Total		202 026	268 364	148 635	619 025



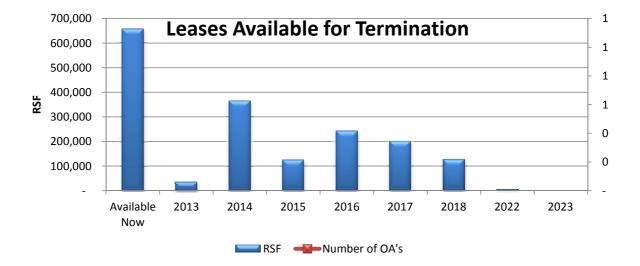


Bureau Name		(All)		
Note: Page displays a maximur	n of 100 Expirations			
RSF		Market		
	Lease Expiration FY	Washington-Arlington-Alexandria, DC-VA-MD-WV		Grand Tota
	2014		113,220	113,220
	2016		136,717	136,717
	2017		41,447	41,447
Grand Total			291,384	291,384

DEPARTMENT OF HOUSING AND URBAN DEV

Lease Termination Rights





Agency Name	HUD
Bureau Name	(All)
Market	(All)
Termination Right Indicator	(All)

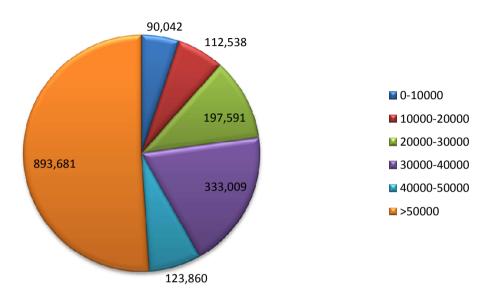
FY of Termination Rights	RSF	Number of OA's
Available Now	657,170	
2013	34,513	
2014	364,420	
2015	123,911	
2016	240,720	
2017	200,018	
2018	126,212	
2022	3,757	
2023	-	
Grand Total	1,750,721	



Size of Expiring Leases



Size of Expiring Leases



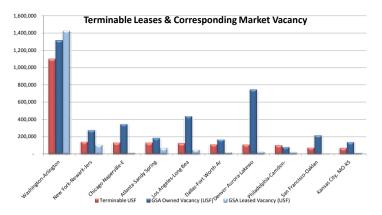
HUD
(All)
(All)
(All)
Leased
(AII)

RSF	Sum of Assigned RSF
0-10000	90,042
10000-20000	112,538
20000-30000	197,591
30000-40000	333,009
40000-50000	123,860
>50000	893,681
Grand Total	1,750,721



Data as of 2Q FY14 Page 18 of 22





Top 10 Markets	Terminable US	F GSA Owned Vacancy (USF)	GSA Leased Vacancy (USF)
Washington-Arlington	1,100,41	5 1,314,083	1,423,905
New York-Newark-Jers	138,43	2 272,269	106,202
Chicago-Naperville-E	128,81	5 347,303	12,206
Atlanta-Sandy Spring	127,27	7 181,530	67,788
Los Angeles-Long Bea	122,07	3 434,938	49,337
Dallas-Fort Worth-Ar	110,48	1 164,353	18,892
Denver-Aurora-Lakewo	109,95	4 743,365	23,789
Philadelphia-Camden-	102,07	81,327	20,236
San Francisco-Oaklan	73,73	9 212,362	2,604
Kansas City, MO-KS	69,09	5 135,328	14,087
Agency Name	HUD		

A M	11115
Agency Name	HUD
Bureau Name	(All)
Lease Termination FY	(All)

		G	SA Owned Vacancy (USF)
Washington-Arlington-Alexandria, DC-VA-MD-WV	1,100,415		1,314,083
New York-Newark-Jersey City, NY-NJ-PA	138,432		272,269
Chicago-Naperville-Elgin, IL-IN-WI	128,815		347,303
Atlanta-Sandy Springs-Roswell, GA	127,277		181,530
Los Angeles-Long Beach-Anaheim, CA	122,073		434,938
Dallas-Fort Worth-Arlington, TX	110,481		164,353
Denver-Aurora-Lakewood, CO	109,954		743,365
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	102,078		81,327
San Francisco-Oakland-Hayward, CA	73,739		212,362
Kansas City, MO-KS	69,096		135,328
Boston-Cambridge-Newton, MA-NH	67,786		
Seattle-Tacoma-Bellevue, WA	67,342		
Detroit-Warren-Dearborn, MI	46,596		
Oklahoma City, OK	34.265		
Houston-The Woodlands-Sugar Land, TX	30.843		
Cleveland-Elyria, OH	30,453		
Baltimore-Columbia-Towson, MD	30.421		
Indianapolis-Carmel-Anderson, IN	29.778		
New Orleans-Metairie, LA	28,819		
Buffalo-Cheektowaga-Niagara Falls, NY	28.373		
Phoenix-Mesa-Scottsdale, AZ	27,687		
Miami-Fort Lauderdale-West Palm Beach, FL	25,949		
Pittsburgh, PA	25,059		
San Antonio-New Braunfels, TX	25,059		
Birmingham-Hoover, AL	24,071		
St. Louis, MO-IL	24,063		
Columbia, SC	22,601		
Hartford-West Hartford-East Hartford, CT	21,432		
Little Rock-North Little Rock-Conway, AR	20,736		
Louisville/Jefferson County, KY-IN	20,087		
Anchorage, AK	17,655		
Portland-Vancouver-Hillsboro, OR-WA	16,364		
Providence-Warwick, RI-MA	12,380		
Salt Lake City, UT	11,100		
SacramentoRosevilleArden-Arcade, CA	10,646		
Des Moines-West Des Moines, IA	10,043		
Las Vegas-Henderson-Paradise, NV	9,873		
Urban Honolulu, HI	9,650		
Boise City, ID	4,989		
Tucson, AZ	4,524		
San Diego-Carlsbad, CA	4,325		
Grand Total	2,824,921		



Agency Occupied Buildings with Large Amounts of Vacant Space

								Market F	Presence
Location			Owned	vs. Leased			Agency Space within	# of Agency Leases in	Agency's Leased RSF in
Code	Building Name	Market		(O/L)	Building Size (RSF)	Building Vacancy (USF)	building	that Market	that Market
(blank)	JACOB K. JAVITS FB/CIT	New York-Newark-Jersey City, NY-NJ-F	P. Owned		11,466,020	271,145	-	-	178,443
	THE PORTALS	Washington-Arlington-Alexandria, DC-V	Leased		209,641	118,764		-	1,447,810
	H BOGGS FED BLDG/COURTHOU	New Orleans-Metairie, LA	Owned		1,195,411	113,264		-	36,366
	P V MCNAMARA F B	Detroit-Warren-Dearborn, MI	Owned		944,132	94,348		-	58,863
	DR. A. H. MC COY FB	Jackson, MS	Owned		745,090	92,773		-	25,722
	ROBT A YOUNG FED BLD	St. Louis, MO-IL	Owned		2,009,384	74,033		-	30,088
	JOHN E. MOSS FEDERAL BUILDII	SacramentoRosevilleArden-Arcade,	(Owned		655,480	71,324		-	14,812
	STROM THURMOND FB	Columbia, SC	Owned		667,853	70,387		-	28,610
	JOHN J. DUNCAN FB	Knoxville, TN	Owned		240,341	65,684		-	24,032
	HIPOLITO F. GARCIA FOB/US CTI	San Antonio-New Braunfels, TX	Owned		437,829	55,926		-	40,000
	FED OFFICE BLDG	Seattle-Tacoma-Bellevue, WA	Owned		716,984	51,289		-	95,984
	THOMAS P. O'NEILL JR. FB	Boston-Cambridge-Newton, MA-NH	Owned		670,818	39,370		-	86,382
	WALLACE F BENNETT FB	Salt Lake City, UT	Owned		328,813	28,593		-	15,406
	RICHARD B. RUSSELL	Atlanta-Sandy Springs-Roswell, GA	Owned		3,080,659	26,922		-	152,863
	TED WEISS FEDERAL BUILDING	New York-Newark-Jersey City, NY-NJ-F	Owned		768,759	26,224		-	178,443
	METCALFE BUILDING	Chicago-Naperville-Elgin, IL-IN-WI	Owned		710,656	23,204		-	162,857
	D CHAVEZ FEDERAL BLDG	Albuquerque, NM	Owned		302,149	22,167		-	16,959
	JAMES M HANLEY FB	Syracuse, NY	Owned		290,409	18,129		-	3,230
	BRICKER FEDERAL BLDG	Columbus, OH	Owned		229,733	14,133		-	38,375
	THOMAS S. FOLEY US COURTHO	Spokane-Spokane Valley, WA	Owned		236,979	13,728		-	6,146



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Average Rate psf by MSA

Owned

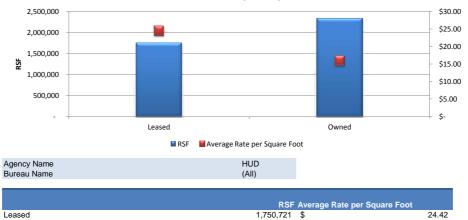
Grand Total



15.95

20.35

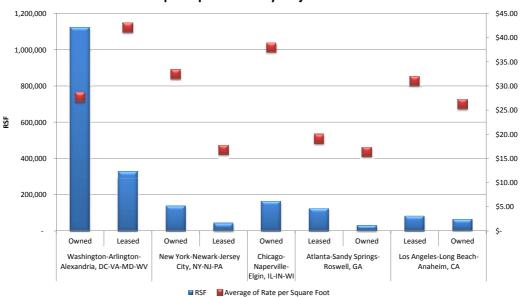
Nationwide Rates per Square Foot



Rates per Square Foot by Major Metro Area

2,326,957

4,077,678 \$



Agency Name HUD
Bureau Name (All)

Metro Area	RSF	Average of Rate	e per Square Foot
Washington-Arlington-Alexandria, DC-VA-MD-WV	1,447,810	\$	40.00
Owned	1,121,913	\$	27.65
Leased	325,897	\$	42.05
New York-Newark-Jersey City, NY-NJ-PA	178,443	\$	28.48
Owned	136,888	\$	32.40
Leased	41,555	\$	16.71
Chicago-Naperville-Elgin, IL-IN-WI	162,857	\$	37.90
Owned	162,857	\$	37.90
Atlanta-Sandy Springs-Roswell, GA	152,863	\$	17.00
Leased	123,370	\$	19.01
Owned	29,493	\$	16.32
Los Angeles-Long Beach-Anaheim, CA	144,269	\$	28.61
Leased	82,741	\$	31.00
Owned	61,528	\$	26.22
Grand Total	2,086,243	\$	30.50



Rent Gap Analysis



Agency Name Bureau Name HUD (All) Owned/Leased Leased FRPC Property Type
Submarket Rate per SF
*Excludes OA's < 10% above market (Multiple Items)

(Multiple Items)

OA Number	Lease ID	Earliest Termination FY	Y (Begi	Building Name	GSA Rate	Approx. Submarket Rate	Rent Gap %	ial Annual Rent Savings
(blank)	(blank)		2015 K	INNARD FINANCIAL CENTER	\$25.05	\$18.19	27.39%	\$ (201,773)
			2017 P	HELPS DODGE TOWERS	\$27.06	\$17.98	33.56%	\$ (281,466)
			3	02 E CARSON	\$57.39	\$46.40	38.28%	\$ (58,305)
			2018 N	IBL/IBM	\$19.10	\$13.91	27.17%	\$ (59,503)
		Available Now	N	IARKET SQUARE CENTER	\$16.14	\$16.46	-2.00%	\$ 10,978
			C	UMBERLAND-STE 200	\$14.46	\$17.81	-23.20%	\$ 57,969
Grand Total			, i		\$159.19	\$130.75	101.19%	\$ (532,100)



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Note: Submarket rates are approximations based on a building's location. Rates do not account for the condition of an asset, building class (A, B, or C), or unique

circumstances.